



# ***Daily Report***

## **China**

FBIS-CHI-94-085  
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# Daily Report

## China

FBIS-CHI-94-085

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**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### Chen Muhua Meets UNICEF Officials After Accepting Award

OW0305042694 Beijing XINHUA in English 0315  
GMT 3 May 94

[Text] United Nations, May 2 (XINHUA)—The All-China Women Federation (ACWF) today received the Maurice Pate award from the UN Children's Fund (UNICEF) for its excellent job in promoting the welfare of Chinese women and children.

ACWF chairman Chen Muhua, who is on her special trip to the UN headquarters, attended the award-presenting ceremony and received the award presented by Ann Makinda, chairwoman of the UNICEF board.

In her speech during the ceremony, Makinda highly praised ACWF for its work.

She said ACWF was elected for its "exemplary leadership in promoting the well-being of children and women on a nationwide scale."

The award, which was established in 1965, was named in honor of the first UNICEF executive director. It is given annually for extraordinary and exemplary leadership in, and contribution to, the advancement of the survival, protection and development of children.

This is the first time a Chinese institution has been given the award.

Chen, in a speech after receiving the award, said that over the past four decades since its establishment, the ACWF has dedicated itself to safeguarding the rights and interests of women and children and to improving their situation.

She said ACWF will live up to the Maurice Pate award by working whole-heartedly for the women and children in China as well as the children in the rest of world.

Before the ceremony, Chen also discussed with Gertrude Mongella, secretary-general of the fourth world conference on women, and Nesai Nitin, UN undersecretary in charge of development affairs the 1995 women conference to be held in Beijing.

Chen briefed them on China's preparations for the meeting.

She said China, as the host country of the fourth world conference on women and the '95 non-governmental organization forum, is intensifying the preparations for conference facilities, and for receiving friends from various quarters.

### Friendship Association 'Bridge' for Foreign Investment

OW3004013994 Beijing XINHUA in English 0019  
GMT 30 Apr 94

[Text] Beijing, April 30 (XINHUA)—The Beijing Association for Promoting Overseas Friendship has become a bridge for increasing exchanges between China's capital and Hong Kong, Macao, Taiwan and countries overseas.

An association official said that since 1992 his association has helped local companies sign six cooperation contracts with overseas firms, bringing in 31.5 million U.S. dollars in total foreign investment.

One cooperation project is the Beijing Dajing Telecommunications Cable Company, which will involve a total investment of 30 million U.S. dollars, with the overseas partners contributing 65 percent.

Another cooperation project is a Muslim building in downtown Beijing, which will be rebuilt at a cost of 20 U.S. million dollars. The Chinese and foreign partners each will contribute 50 percent of the total investment.

The official said that since its establishment six years ago, his association has received 560,000 U.S. dollars donated by residents in Hong Kong, Macao and Taiwan, as well as Overseas Chinese and foreigners of Chinese origin.

The donations have been used to aid the development of such sectors as science, culture and education in Beijing, he added.

Since 1992 the association has received 862 visitors from Hong Kong, Macao, Taiwan and overseas, he said.

It has established cooperative relations with 26 associations and societies overseas, he said.

### Rabin Comments on Peace Negotiations With Christopher

OW2904163794 Beijing XINHUA in English 1316  
GMT 29 Apr 94

[Text] Jerusalem, April 29 (XINHUA)—Prime Minister Yitzhaq Rabin met with U.S. Secretary of State Warren Christopher at the Defense Ministry in Tel Aviv this morning and discussed the continuation of Israel-Arab peace negotiations with focus on Syrian track.

Rabin emphasized the importance of secret talks in peace talks and criticized Syrian President Hafiz al-Asad for refusing to give favorable response. He also blamed Syria for Hezbollah attacks in South Lebanon.

To start the talks, Rabin and Christopher had a 15-minute private meeting and then were joined by Foreign Minister Shim'on Peres, U.S. Special Coordinator for the Middle East Peace Talks Dennis Ross and other senior officials from both sides.

Rabin said that Syria has made the maximum territorial demand, but not given the slightest hint of confidence-building measures, which can prove to Israeli public that Syria desires for peace.

There are two major problems on the way to peace, namely, attacks by Hezbollah in Lebanon instigated or tolerated by Syria and Palestinian terrorism in the (occupied) territories, Rabin said.

In the attacks in South Lebanon, Rabin disclosed, Hezbollah has deliberately targeted Christian villages, shooting at Christian villages, and shooting from inside the villages which are not situated in the "security zone."

He noted that to allow Hezbollah to open fire from inside the villages is a violation of the understanding reached between Israel and Syria after the "operation of accountability" last year because it means that they can use the villagers as a human shield against Israeli retaliation.

On Syria's refusal to conduct secret talks, Rabin said it is difficult to work with someone who says he wants peace but refuses to talk face to face.

Christopher listened without a comment. But one of the U.S. diplomats said America's diplomatic activity is not a substitute for direct talks between the parties and this is clear to the Syrians.

At Rabin's suggestion, the Israeli and U.S. officials split into three working groups on Syria, Jordan and Lebanon on detailed discussions.

Later today, the entire party will reconvene and the working groups will report on their deliberations.

According to Minister of Environment Yosi Sarid, who attended the meeting, Rabin did not make any hint that he will propose complete withdrawal from the Golan Heights in exchange for full peace with Syria at this stage.

However, Sarid said, Rabin has declared that he will uproot the Jewish settlements on the Golan Heights for the sake of peace and that the depth of withdrawal will be according to the depth of peace. By combining the two very important statements, people can come to their own conclusion.

#### **Christopher's Role in Israeli-Syrian Talks Noted**

OW0305083794 Beijing XINHUA in English 0722 GMT 3 May 94

[Text] Jerusalem, May 3 (XINHUA)—Warren Christopher, visiting U.S. secretary of state, said he will return to the Middle East in two weeks to advance peace talks between Israel and Syria.

The U.S. secretary of state made the announcement after his second round of talks at Prime Minister Yitzhaq Rabin's residence here Monday [2 May] night, according to a report of Israel radio today.

Christopher's decision is apparently based on the assumption that progress so far is enough to prompt him to continue his efforts to advance talks on Syrian track.

Syrian President Hafiz al-Asad told Christopher that he is ready for "normalization with Israel" at the end of full Israeli troops pullout from the Golan Heights. Israel snatched the piece of land from Syria in the 1967 Middle East war.

Christopher relayed the message to Rabin Monday morning. The two met again Monday night believably [as received] to exchange views on assessment of the situation.

Israeli officials say the Syrian proposals have opened a new chapter in peace negotiations between Israel and Syria. It marked the first time that al-Asad has explicitly said his country is willing to normalize ties.

"The progress on this Christopher visit to the region is that Israel spoke about withdrawal, and al-Asad spoke about normalization. For the first time, the U.S. feels that this may work, and there is enough to begin future bargaining between the two sides," a senior Israeli official said.

A senior U.S. official concurred privately that "we finally have substantive positions on both sides, and they are no longer talking slogans. There is serious engagement, but there is a long way to go," he said.

#### **U.S. Sending More Troops to Macedonia**

OW0205212494 Beijing XINHUA in English 2046 GMT 2 May 94

[Text] Washington, May 2 (XINHUA)—The U.S. is sending 37 more soldiers and three UH-60 Black Hawk helicopters to join the UN observer force in the Former Yugoslav Republic of Macedonia, the Pentagon said today.

There are about 500 U.S. Army personnel already in Macedonia, stationed along the Balkan republic's mountainous border.

The U.S. troops were part of a U.N. contingent of some 1,000 soldiers under a Norwegian general.

The 37 soldiers, which will arrive in Macedonia on Wednesday [4 May], would come from a U.S. base in Katterbach, Germany, the Pentagon said.

#### **Russia Puts Forward Plan for Asian-Pacific Security**

OW2904163594 Beijing XINHUA in English 1551 GMT 29 Apr 94

[Text] Moscow, April 29 (XINHUA)—Russian Defense Minister Pavel Grachev today proposed creating a collective security system in the Asian-Pacific region, saying that a special group of experts might be assembled in the near future to work out a program.



After meeting with his South Korean colleague Yi Pyong-tae in Moscow, Grachev told reporters that they had discussed his proposal which would be examined in Seoul.

The two ministers also discussed problems concerning the Democratic People's Republic of Korea (DPRK). Meanwhile, Grachev expressed his worries over DPRK's nuclear program.

Yi Pyong-tae stressed that the military ties between Russia and South Korea will serve as confidence and security-building measures both between the two countries and on the Korean peninsula.

The two ministers' talks resulted in the signing of two accords—a memorandum on mutual understanding between the two countries' defense ministers and a declaration on military cooperation between Russia and South Korea.

Yi Pyong-tae arrived here on Thursday [28 April] for an official visit to Russia.

#### **Butrus Butrus-Ghali Concerned Over Situation in Haiti**

OW2904234594 Beijing XINHUA in English 2226  
GMT 29 Apr 94

[Text] United Nations, April 29 (XINHUA)—Secretary-General Butrus Butrus-Ghali today expressed concern at the "persistence of the deadlock in the efforts to restore democracy in Haiti" as well as the human rights situation in the country.

Having reviewed the situation with his special representative for Haiti, Dante Caputo, the U.N. chief reiterated that "it is essential that the restoration of democracy be the result of an agreement by the Haitian parties," a U.N. spokesman said today.

A draft Security Council resolution on Haiti, worked out by the United States and being circulated among diplomats here, gives Haitian military authorities 15 days to resign or leave the country. Otherwise, they will face much tougher sanctions.

According to the Governor's Island treaty signed between exile Haitian President Jean-Bertrand Aristide and Haitian Army chief Raoul Cedras last July, the president should have returned to his country by the end of the following October.

But Aristide cannot do so because the military authorities failed to observe the accord they themselves signed.

The secretary-general has asked Caputo to "continue to analyze the situation closely and to report back to him soon," and will report to the General Assembly this week, the spokesman said.

#### **United States & Canada**

##### **Zou Jiahua Meets With U.S. President**

OW0205202194 Beijing XINHUA in English 2011  
GMT 2 May 94

[Text] Washington, May 2 (XINHUA)—U.S. President Bill Clinton told visiting Chinese Vice Premier Zou Jiahua here today that he and his administration are willing to work with China to overcome the differences existing between the two countries so as to enable their relations to grow further.

In a meeting at the White House this morning, Clinton said that China is a very important and great country which has the longest history in the world and a most rich culture. Both his government and himself attach great importance to the development of friendly relations with China, he promised.

The United States and China, he remarked, should become partners of cooperation in their efforts to safeguard world peace and promote economic progress. "We are willing to take part in China's development program," he said, and U.S.-China relations should be based on sincerity and mutual respect.

Chinese Vice-Premier Zou Jiahua, who is here on an official visit at the invitation of the U.S. Government, said during the meeting that China always takes a serious, positive and forward-looking approach to the Sino-U.S. relations. The principal objective of his current visit to the United States was to increase mutual understanding, promote Sino-U.S. friendship and develop mutually-beneficial cooperation.

He also stated that over a long period of time, China has made continued and unremitting efforts in order to improve and develop its relations with the United States. China sees and deals with this relationship from a long-term and worldwide perspective and it maintains that the two countries do share extensive common interests. It is China's view that good Sino-U.S. relations and the continued strengthening and expansion of mutually beneficial cooperation in various areas are in the interest of the two peoples and the people of the whole world as well.

Zou also said that Sino-U.S. relations are now at a crucial juncture. There are still differences existing between the two sides on some issues, but he insisted that their common interests far outweigh the differences. It is China's hope that the two sides should do more in seeking things in common and expanding their common interests, put an end to their disputes of the past as soon as possible, resume and increase the exchange and cooperation between them in various areas and open up the way to the future of bilateral relations.

Zou conveyed the regards from Chinese President Jiang Zemin and Premier Li Peng to President Clinton. Clinton expressed thanks for this and asked Zou to



convey his regards to the Chinese leaders. He recalled that he and President Jiang had a very good summit in Seattle last November.

During the meeting which took place in a friendly and candid atmosphere, the two sides also exchanged views on other issues of mutual concern.

Ronald Brown, U.S. secretary of commerce, Anthony Lake, national security adviser to the president, Strobe Talbott, acting secretary of state, and Robert Rubin, chairman of the National Economic Council attended today's meeting. Also present were Zeng Peiyan, vice minister of China's State Planning Commission, Liu Huaqiu, vice minister of foreign affairs and Li Daoyu, Chinese ambassador to the United States.

### Clinton Stresses Cooperation

OW0305094494 Beijing XINHUA Domestic Service in Chinese 0703 GMT 3 May 94

[By reporter Ying Qian (2019 6197)]

[Text] Washington, 2 May (XINHUA)—While meeting with Chinese Vice Premier Zou Jiahua at the White House this morning, U.S. President Clinton said both the U.S. Government and he himself are ready to work with the Chinese to overcome differences existing between the two countries so as to enable their relations to grow further.

President Clinton said that China is a very important and great country. Both he and the U.S. Government attach great importance to the development of friendly relations with China.

He also said: The United States and China should become partners of cooperation in their efforts to safeguard world peace and promote economic progress. The two countries should establish a relationship based on sincerity and mutual respect. He noted that "We are willing to take part in China's development program."

Vice Premier Zou Jiahua said: China always takes a serious, positive, and forward-looking approach to Sino-U.S. relations. China sees and deals with this relationship from a long-term and worldwide perspective. He pointed out: Sino-U.S. relations are now at a crucial juncture. There are still differences between the two sides on some issues, but their common interests far outweigh the differences. It is China's hope that the two sides should do more in seeking things in common and expanding their common interests [fa zhan gong tong li yi 4099 1455 0364 0681 0448 4135], end their past disputes as soon as possible, resume and increase the exchange and cooperation between them in various areas, and open up the way to the future of bilateral relations.

Zou Jiahua said: Good Sino-U.S. relations are in the interest of the people of the two countries, and the people of the whole world as well.

Vice Premier Zou Jiahua conveyed regards from Chinese President Jiang Zemin and Premier Li Peng to President Clinton. Clinton expressed thanks for this and asked Zou to convey his regards to the Chinese leaders. President Clinton recalled that he and President Jiang had a very good summit in Seattle last November.

During the meeting that took place in a friendly and candid [tan shuai di 0982 3764 4104] atmosphere, the two sides also exchanged views on other issues of mutual concern.

Ronald Brown, U.S. secretary of commerce; Anthony Lake, national security adviser to the president; Strobe Talbott, acting secretary of state; and Robert Rubin, chairman of the National Economic Council, attended today's meeting. Also present were Zeng Peiyan, vice minister of China's State Planning Commission; Liu Huaqiu, vice minister of foreign affairs; and Li Daoyu, Chinese ambassador to the United States.

### Further on Meeting

OW0305041694 Beijing Central People's Radio Network in Mandarin 2230 GMT 2 May 94

[From "News and Press Review" program]

[Text] According to China Radio International, U.S. President Clinton met with Vice Premier Zou Jiahua, who was visiting Washington, at the White House yesterday.

Clinton said that China is a very important great country, and that both the U.S. Government and himself attach great importance to developing friendly relations and cooperation with China. He said: The United States and China should build a relationship of mutual trust and respect, and become cooperative partners in safeguarding world peace, and in promoting economic development.

Zou Jiahua said: China has always taken a serious, positive, and forward-looking attitude toward Sino-U.S. relations. The improvement of Sino-U.S. relations is not only beneficial to the Chinese and American peoples but also to the people of the world at large.

On the same day, U.S. Secretary of the Treasury Lloyd Bentsen, U.S. Secretary of Commerce Ronald Brown, and U.S. Secretary of Energy Hazel O'Leary separately met and held talks with Vice Premier Zou Jiahua on economic, trade, scientific, and technological cooperation between China and the United States.

### Zou Jiahua Meets With U.S. Commerce, Energy Secretaries

OW0205183594 Beijing XINHUA in English 1813 GMT 2 May 94

[Text] Washington, May 2 (XINHUA)—Visiting Chinese Vice-Premier Zou Jiahua held talks with U.S. Secretary of Commerce Ronald Brown and Secretary of

Energy Hazel O'Leary separately here today on the prospect of cooperation in the fields of economy, trade, science and technology.

According to Chinese sources familiar with the talks, the two sides reached identical views that China and the United States, as two big countries with decisive influence in the world, share extensive common interests and objectives and that the building of good relations between them is not only in the interest of the two countries and peoples, but also contributes to the world peace and stability.

Secretary Brown was quoted as saying that encouraging progress had been achieved in many important areas of U.S.-China relations. The United States, he promised, will continue to work for developing long-term economic and trade ties with China.

Secretary O'Leary told her Chinese guests she always considers U.S.-China relations as being full of potentialities and that the two countries are long-term partners of economic and trade cooperation.

The Chinese vice-premier said that a good foundation has been laid for the development of cooperation between the two countries in the fields of economy, trade, science and technology. As China is speeding up the establishment of a socialist market economy, the Chinese market is holding out an ever greater potential, which is also becoming a reality. This will provide broad prospects of cooperation for the two countries.

If things go well in Sino-U.S. relations and man-made trammels are removed, their economic and trade cooperation will be further expanded, the Chinese vice-premier added.

Secretary Brown was said to have reaffirmed during the talks that the United States is firm in its support for China's resumption of its seat as a founding member of GATT.

The Chinese sources said that the two sides also discussed specific issues regarding the expansion of cooperation and they agreed that the candid, pragmatic and friendly exchange of views they had today was very useful.

#### **Speaks of Market Potential**

OW0305095394 Beijing XINHUA Domestic Service in Chinese 0735 GMT 3 May 94

[By reporter Ying Qian (2019 6197)]

[Text] Washington, 2 May (XINHUA)—Visiting Chinese Vice Premier Zou Jiahua held separate talks with U.S. Commerce Secretary Ronald Brown and Energy Secretary Hazel O'Leary on the morning of 2 May. The two sides unanimously felt that as two big countries possessing decisive influence in the world and sharing extensive common interest and objectives, building [gao hao 2269 1170] good relations between China and

the United States not only conforms to the interests of the two countries and peoples, but also contributes [you zhu yu 2589 0504 0060] to the world's stability and peace.

Brown and O'Leary held separate discussions with Zou Jiahua on prospects of economic, trade, and scientific and technological cooperation between the two countries. Brown said: The United States and China have achieved encouraging progress in many important areas, and the United States will continue to work for developing long-term economic and trade relations with China. O'Leary said that she has always considered U.S.-China relations as being full of potentialities and that the two countries are long-term partners in economic and trade cooperation.

Zou Jiahua said: A good foundation has been established for developing cooperation between the two countries in the fields of economy, trade, and science and technology. As China is quickening the pace of establishing a socialist market economy, the potential of the Chinese market has become increasingly greater. This will provide broad prospects in economic, trade, and scientific and technological cooperation between the two countries. He pointed out: If things go well in Sino-U.S. relations and man-made trammels [ji ban 5015 4810] are removed, greater progress will be made in U.S.-China economic and trade cooperation.

The two sides also discussed specific issues concerning strengthening their cooperation, and unanimously felt that candid, pragmatic, and friendly exchanges of opinions are very beneficial.

Zeng Peiyan, vice minister of the State Planning Commission; Liu Huaqiu, vice foreign minister; and Li Daoyu, Chinese Ambassador to the United States, who are accompanying Zou Jiahua on his visit, were present at the talks.

On the same evening, Secretary Brown held a dinner party to welcome Zou Jiahua, which Energy Secretary O'Leary and other high-ranking U.S. Government officials also attended.

#### **Secretary Brown Hosts Dinner Party for Zou Jiahua**

OW0305065794 Beijing XINHUA in English 0638 GMT 3 May 94

[Text] Washington, May 2 (XINHUA)—U.S. Secretary of Commerce Ronald Brown hosted a dinner party here this evening in honor of visiting Chinese Vice-Premier Zou Jiahua and his party.

In his welcoming remarks, Brown said he hopes Zou's visit will mark a new beginning of U.S.-China relations.

He said the two countries have a lot in common and how their relations will develop is something that has a great bearing on both American and Chinese peoples.



It is his belief that with the joint efforts by both sides, the difficulties that exist at present can be overcome, Brown said.

In reply, Vice-Premier Zou said his current visit is aimed at keeping the momentum of high-level contacts between China and the United States and exploring, together with U.S. leaders and friends from the industrial and business community here, ways to expand economic and trade cooperation between the two countries and pushing ahead bilateral relations in all fields.

When the world is making the transition from the old pattern to a new one, he noted, economic considerations are becoming an increasingly important factor in international affairs.

As the largest developing and the largest developed countries, China and the United States have great complementarity in the economic and trade fields, he said, adding that these favorable subjective and objective conditions have afforded Sino-U.S. economic relations and trade a broad prospect for development.

China's economy, he continued, is entering a period of high growth and its tremendous market potential is being tapped. In face of the huge China market, people of vision and businessmen of different countries are considering and formulating their strategies from a new perspective in order to meet the increasingly fierce competition, he said.

Zou expressed his sincere hope that the foresighted people in the U.S. industrial and business community will seize the current historic opportunity to expand their business in China. "What is more, I hope the U.S. Government will render more support to its people in their efforts to compete in China and create necessary conditions for them," he stressed.

He described it as the duty of the leaders of the two countries to give top priority to the fundamental and long-term interests instead of being swayed by a single, fleeting event.

So long as the two governments abide by the principles enshrined in the three Sino-U.S. joint communiques and the principle of enhancing mutual confidence, reducing trouble, increasing cooperation and refraining confrontation, Sino-U.S. relations will register a greater development, the Chinese vice-premier said.

Zou arrived in Washington last weekend to pay an official visit. He is the highest-level Chinese leader to visit the United States in five years.

#### **Zou Jiahua Views Economic Development at Business Gathering**

OW0265205294 Beijing XINHUA in English 2026 GMT 2 May 94

[Text] Washington, May 2 (XINHUA)—Visiting Chinese Vice-Premier Zou Jiahua said here today that

China's economic development since the policy of reform and opening-up was adopted in 1979 has drawn worldwide attention and it is optimistic about its economic performance in both short and long run.

Speaking at a gathering in Washington D.C. at the invitation of the U.S.-China Business Council, Zou briefed leaders of the U.S. business community on China's reform, opening-up and economic development as they show strong enthusiasm and expectations for closer economic cooperation with China.

Zhou said that through its efforts for nearly half a century, China has established a fairly independent and complete economic structure. Its economic success, especially since 1979 has drawn the attention of the world. Compared with 1978, its GDP in 1993 was nearly 4 times as large, showing an average annual growth rate of 9.3 percent over the period, making China one of the fastest growing economies of the world.

After outlining a three-step strategy for China's modernization drive formulated in the early 80s, Zou described 1993 as a year which saw China's reform, opening-up and modernization drive move forward vigorously. The gross domestic product of the year was up by 13.4 percent over the previous year in comparable prices and it was the highest annual increase since 1985. High growth has driven reform and opening-up to speed up, two way trade to expand and overseas investment in China to soar. In 1992, overseas investment actually used increased by 160 percent and the figure in 1993 was up by 91.5 percent over 1992. By the end of 1993, China had approved 74,000 overseas invested projects with a contractual value of 217.216 billion U.S. dollars, of which 60.042 billion have been actually invested. The total volume of China's imports and exports in 1993 reached 195.8 billion U.S. dollars, of which imports accounted for about 100 billion dollars.

Zou told the gathering that China is speeding up the construction of the Pudong New District in Shanghai in order to turn the city into an international economic, trade, and financial center and at the same time continuing to stress agriculture, basic industries, pillar industries and export-oriented industries and undertaking such large projects as the three gorges hydropower complex. "These no doubt will mean more and better investment opportunities for American businessmen," he said.

The basic goal of China's economic restructuring as decided at the Chinese Communist Party's 14th National Congress is to establish a socialist market economy and this is a far-reaching step in the history of China's reform, he stressed.

The Chinese vice-premier then turned to the major reform measures of the day, i.e., to transform the operational mechanisms of state-owned enterprises, nurture and develop a market system which will play a basic role of allocating resources under macro-regulation of the state, establish a network of macro-regulation taking



indirect regulation as the principal means, and institute a multi-tiered social security system.

He assured the American businessmen that China will keep unswervingly to the policy of opening-up to the outside world. He quoted Deng Xiaoping, the chief architect of China's reform, as saying that "China's open policy will not change for this century, nor the first or second 50 years of the next century. It is hard for anyone to attempt at a change. China's door is sure to open even wider and we will do a better job."

An all-directional pattern of openness linking the coast with the hinterland across China is taking shape, Zou said, and "we are ready to develop economic and technological cooperation and exchanges with all friendly countries and people from all walks of life on the basis of equality and mutual benefit."

Cooperation can take many forms, he continued. "Trade with us is certainly welcome. But we also hope to see more business people with acumen come to China to invest and set up their own factories, to enter into partnership with Chinese enterprises, or to transfer technology and explore China's market."

He listed energy, transportation, telecommunications, agriculture and water conservancy as the areas where China would like to see more investors put their money now and in the years to come.

Referring to the problems which were created along with the economic boom, Zou stated that the Chinese Government introduced last June a series of measures aimed at tightening and improving macro-regulation. These timely measures yielded quick and positive results. The financial order and the order in the field of circulation improved markedly and the signs of an economic overheating have been brought under control.

"At the present, our market is steady, society stable and people contented. We are convinced that with our efforts, socialist market economy will take root in our country and our economy will continue to enjoy a high and healthy growth for a considerably long time to come," he said.

#### Views Sino-U.S. Relations

OW0305005194 Beijing XINHUA in English 0034  
GMT 3 May 94

[Text] Washington, May 2 (XINHUA)—Visiting Chinese Vice-Premier Zou Jiahua today urged China and the United States to seize the opportune moment by pushing vigorously for exchanges and cooperation in various fields.

Speaking at a gathering of U.S. businessmen hosted by the U.S.-China Business Council here, Zou said that over the 15 years since China and the United States established diplomatic relations, despite ups and downs, difficulties and disputes, the overall relations between the two countries have moved forward with exchanges

and cooperation in various fields on constant increase. The world has undergone some major and profound changes in the past few years, but the importance of Sino-U.S. relations remains unchanged. They have extensive shared interests and common responsibility in many areas such as safeguarding world peace and stability, ensuring a secure and prosperous Asia-Pacific region, promoting global economic prosperity and bringing about a better environment.

One outstanding feature of the post-Cold War world, he said, is that all countries have given their top priority to economic development. Asia-Pacific region, by maintaining the best growth records for years running, has caught attention in the world. On the other hand, he added, international economic competition, as seen in fierce rivalry for market shares, has become increasingly heated. New opportunities and new challenges keep presenting themselves one after another.

Under such circumstances, he stressed, it behooves both China and the United States to seize the opportune moment by pushing vigorously for exchanges and cooperation in the fields of economy, trade, science and technology. "This is not only in the fundamental interest of the two peoples, but also contributes to peace, stability, prosperity and progress of the world at a large," he noted.

Speaking of bilateral trade, mutual investment, and economic and technological cooperation, Zou said, in 1993, Sino-U.S. trade volume reached 27.65 billion U.S. dollars according to Chinese customs statistics, which was an increase of more than ten times over 1979, with China's imports from the United States up by 20.1 percent over the previous year. The United States has retained its place as China's third largest trade partner. In terms of investment volume, the United States still leads other overseas investors. By the end of last year, the contractual value of U.S. investment in China had totalled 11 billion U.S. dollars, and the number of U.S. funded projects surpassed more than 8,000. More than half of American investment in China was made by large companies and their projects are large in scale, high in technological standards and quite profitable.

Facts have shown, Zou said, that it is entirely possible for countries of different social systems and ideologies to actively develop economic and technological cooperation to the benefit of both sides.

Zou maintained that the differences between China and the United States in the economic and trade fields are being ironed out gradually with the signing of a number of memorandums of understanding in 1992.

"What I want to emphasize is that the Chinese Government will, as always, honor its commitment in accordance with the requirements of the three memorandums of understanding. We hope that the U.S. Government will also strictly honor its commitment. In our view, all the problems between us can be resolved by way of

negotiation and consultation as long as the two sides abide by the principle of equality and mutual benefit."

He promised that China's sustained and rapid economic growth and its ambitious development program will surely bring about more opportunities for the American business community. For example, every year China imports from the United States large quantities of wheat, aircraft, computers, chemical fertilizer, cotton, paper, pulp, machinery, electronic equipment and equipment for chemical and petroleum industries. It is expected that from now to the year 2000, China will import one trillion U.S. dollars worth of commodities from the international market. "We hope that American businessmen will take up a larger share of that import," Zou said.

However, he reminded the audience that competition among the world's major powers in the Chinese market is very intense. Advanced technology and equipment and fine service alone are not enough. "They must be accompanied by a long-term, stable and harmonious environment for cooperation in the economic and trade field," he said.

"Frankly speaking," he pointed out, "American business people are not as advantageously placed as their counterparts in Europe and Japan. It is very clear that the annual dispute over the MFN status causes serious damage to the development of economic and trade ties between our two countries."

Then he stressed that the mutual granting of MFN status is the foundation stone for Sino-American economic and trade relations. If this is undermined, it will do serious damage to the economies and trade of the two countries and to the interests of their consumers."

He deemed it the duty of the Chinese and U.S. governments to encourage and support business people of the two countries to conduct mutually beneficial cooperation, thus creating favorable conditions for closer bilateral relations.

He stated that the Chinese Government always attaches importance to the relations with the United States and has made tremendous and effective efforts to improve and develop them. Facts have proved, he added, that "so long as the two sides act in accordance with the three Sino-U.S. joint communiques, bear in mind the larger picture, stand on high ground and extend the vision, we will be able to rise above the present differences and bring bilateral relations back on track soon for a healthy development, thus contributing to stability and prosperity in the Pacific rim and the world at large."

#### **Zou Jiahua Visits AMOCO Oil Company in Chicago**

*OW0205123294 Beijing XINHUA Domestic Service in Chinese 1004 GMT 30 Apr 94*

[By reporter Ying Qian (2019 6197)]

[Text] Chicago, 29 Apr (XINHUA)—Zou Jiahua, Chinese State Council vice premier, visited the U.S. AMOCO oil company, which has enjoyed long-term cooperative relations with China in Chicago on 29 April, and had a discussion with the person in charge of the company about the possibility of further expanding cooperation on the basis of equality and mutual benefit.

AMOCO is a big enterprise occupying an important position in the international oil and natural gas field. It began cooperation with China in oil exploration and production and petrochemical industry in the late seventies. It is the first U.S. company to sign an agreement with China on oil exploration on land. It also participates in the development of oil fields in the South China Sea.

AMOCO Chairman (Lawrence Fuller) and others accorded a warm reception to the visiting Chinese guests at the company's head office in an 80 story building in the center of Chicago. He reviewed the company's fruitful cooperation with China in the past and presented a concept of further participating in China's energy development. Zou Jiahua expressed his appreciation and support for AMOCO's policy and plan that attach importance to long-term cooperation with China.

At a banquet hosted by (Fuller) in honor of Zou Jiahua and his party in the evening, (Fuller) said he believed Vice Premier Zou Jiahua's visit will play a role in promoting the company's friendly cooperation with China as well as the development of U.S.-Chinese relations.

Addressing the banquet, Zou Jiahua expressed thanks to AMOCO for its efforts for the unconditional renewal of the most-favored-nation status by the United States for China and for its support for the restoration of China's position as a GATT signatory.

He said economic relations and trade between the two countries have enjoyed continuous development through the joint efforts of the Chinese and American peoples, U.S. industrial and commercial enterprises, and U.S. personages with breadth of vision. He pointed out that there is a very strong possibility for Chinese and U.S. economies to supplement each other, and that economic relations and trade between the two will surely further enjoy rapid development so long as both sides solve the problems that crop up on the basis of equality and mutual benefit.

Prior to the banquet, the China National Petroleum Corporation and AMOCO signed a "letter of intent on cooperation in conducting research in coal seam and gas at areas south of the Eerduosi Pendi [Basin]."

In the morning, Zou Jiahua and his party visited Motorola, Inc. near Chicago.



**Zou Jiahua Meets Chinese Personnel in Washington**

OW0305045594 Beijing XINHUA Domestic Service in Chinese 0534 GMT 2 May 94

[By reporter Ying Qian (2019 6197)]

[Text] Washington, 1 May (XINHUA)—Vice Premier of the State Council Zou Jiahua, who is visiting the United States, called on all staff members of Chinese organizations in Washington on the morning of 1 May at the Chinese Embassy. He urged them to continuously work hard for the development of Sino-U.S. relations and for enabling China to play an even greater role in international affairs.

Zou Jiahua said the purpose of his current U.S. visit at the invitation of the United States Government is to enhance mutual understanding and to promote the development of Sino-U.S. relations, particularly development of the economic and technological cooperative relationship. He expressed the belief that the development of economic relations will also propel the development of political relations.

In the same afternoon, Vice Premier Zou Jiahua attended a tea party sponsored by the Chinese Embassy for representatives of Chinese-Americans and overseas Chinese in Washington and talked warmly with them. He thanked them for the years of effort that Chinese-Americans and overseas Chinese have given in developing Sino-U.S. ties. When briefing them on the situation in China, he stressed that China has achieved great economic development, that China's policy of opening up to the outside world will remain unchanged, and that China is willing to develop cooperative relations with all countries on the basis of equality and mutual benefit.

Representative of Chinese Americans and overseas Chinese said at the tea party that they were pleased to have the opportunity of meeting with Vice Premier Zou Jiahua in the U.S. They also wished his U.S. visit success.

**Northeast Asia**

**Government, Japan Sign Accord on Nuclear Safety**

OW0305100194 Beijing XINHUA in English 0853 GMT 3 May 94

[Text] Beijing, May 3 (XINHUA)—China and Japan signed a "cooperation arrangement on nuclear safety" here today, making Japan China's seventh partner in the endeavor for nuclear safety following the United States, France, Germany and some other industrialized countries.

The agreement was signed by Huang Qitao, vice-minister of China's State Science and Technology Commission and director general of the National Nuclear

Safety Administration (NNSA), and Youki Kawata, director general of the Agency of Natural Resources and Energy under the Japanese Ministry of International Trade and Industry.

Under the agreement, the two contracting parties will strengthen cooperation on the safety administration of commercial nuclear power plants in the two countries, exchange information and experts so as to ensure nuclear safety.

In a meeting with Kawata prior to the signing ceremony, Huang said that the agreement will usher in a new period for Sino-Japanese cooperation in nuclear safety.

Kawata expressed the conviction that more effective cooperation in nuclear safety will help boost the overall Japan-China cooperation.

A month ago, the NNSA, a government organ independently exercising administration over nuclear safety in China, concluded a cooperation agreement for nuclear safety with the Nuclear Safety Bureau of Japan's Science and Technology Agency.

**CPPCC Vice Chairman Wu Xueqian Meets Japanese Visitors**

OW0305042994 Beijing XINHUA in English 0254 GMT 3 May 94

[Text] Beijing, May 3 (XINHUA)—Wu Xueqian, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met here this morning with a group of Japanese visitors headed by Nakayama Narufusa, a member of the Japanese imperial lineage.

Wu is also president of the Chinese Association for International Understanding.

Nakayama Narufusa arrived here yesterday at the head of a Dr. Sun Yat-sen's relics investigation group.

The Japanese guests had toured Shanghai and Nanjing before arriving in Beijing. They will visit Xian tomorrow.

**CPPCC Vice Chairman Receives Okinawan Delegation**

OW0304121494 Beijing XINHUA in English 1141 GMT 30 Apr 94

[Text] Beijing, April 30 (XINHUA)—Wan Guoquan, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC), met with a cultural exchange delegation from Japan's Okinawa Prefecture here this evening.

Following the meeting, Wan, also vice-president of the Chinese Association for International Understanding (CAIU), hosted a banquet for the Japanese visitors.



The delegation, led by former Vice-Governor of Okinawa Prefecture, arrived in China on Friday [29 April] at the invitation of CAIU.

Early today the Japanese guests visited the Shougang General Corporation and had a get-together with its workers.

#### **Newspaper Reports Strong Support for Hata Cabinet**

*OW3004042994 Beijing XINHUA in English 0408 GMT 30 Apr 94*

[Text] Tokyo, April 30 (XINHUA)—Japan's newly formed cabinet headed by Prime Minister Tsutomu Hata has a support rating of 56.8 percent, the YOMIURI SHIMBUN newspaper reported today.

This approval percentage is the third highest ever for a Japanese cabinet, following 71.9 percent for the Hosokawa cabinet last August and 60.5 percent for the Tanaka cabinet in 1972.

The telephone poll was conducted by the YOMIURI daily earlier this week.

The disapproval rating for the cabinet stood at 25 percent.

About 45 percent of the respondents favoring the cabinet said it "can do something new," and 24 percent said Prime Minister Tsutomu Hata "can be trusted."

The major drawback cited for the cabinet was its fragility, the paper reported.

Hata's cabinet was formed earlier this week to replace that of former Prime Minister Morihiro Hosokawa, who resigned on April 8 because of controversial personal finances.

#### **Liaoning Secretary Returns From DPRK Visit**

*SK0305042294 Shenyang LIAONING RIBAO in Chinese 24 Apr 94 p 1*

[Text] After satisfactorily concluding its visit to the DPRK, a friendly near neighbor of China, the delegation of the Liaoning Provincial CPC Committee, headed by Comrade Gu Jinchi, member of the CPC Central Committee and secretary of the Liaoning Provincial CPC Committee, returned to China on the afternoon of 22 April by car via the China-DPRK Friendship Bridge and arrived in Shenyang by train on the afternoon of 23 April. During its stay in the DPRK, the delegation visited Sinuiju, Kusong City, and Chongju County in North Pyongan Province, visited Pyongyang and Kaesong cities upon the invitation the Central Committee of the Workers Party of Korea [WPK], viewed Nampo Sohae Lockgate and the Mt. Myohyang International Friendship Exhibition Hall. The delegation was warmly welcomed and accorded lavish hospitality by Korean comrades everywhere it went.

While staying in Pyongyang, the delegation participated in various activities put on by the Central Committee of the WPK to celebrate the 82d birthday of President Kim Il-song. On the noon of 15 April, all comrades of the delegation, together with high-level DPRK-visiting delegations from other countries, were warmly received by President Kim Il-song. President Kim extended a warm welcome to Liaoning Provincial delegation for its visit to the DPRK and asked the delegation to send his cordial regards to leaders of the CPC and China, including Deng Xiaoping, Jiang Zemin, Li Peng, Qiao Shi, and Li Ruihuan. The delegation was also received and feted by Comrade Hwang Chang-yop, member of the Political Bureau of the Central Committee of the WPK and secretary of the WPK Central Committee, and by Comrade Kim Yang-kon, deputy director of the International Department of the WPK Central Committee.

During its stay in Sinuiju, Gu Jinchi and his entourage cordially met Kim Hak-pong, responsible secretary of the WPK Committee of North Pyongan Province, and Yi Tok-in, responsible secretary of the WPK Committee of Sinuiju City, and other principal leading comrades of WPK committee of Sinuiju. They reported work situations to each other, and both sides were satisfied with the development of the relations between the two provinces.

When departing Sinuiju, the delegation was warmly seen off by principal leading comrades of WPK Committees of North Pyongan Province and Sinuiju City, including responsible secretaries Kim Hak-pong and Yi Tok-in, and by more than 1,000 citizens of Sinuiju, who were waving color flags, beating drums and gongs, and singing and dancing at the end of China-DPRK Friendship Bridge.

When the delegation arrived in Shenyang, it was met at the station by leaders of the provincial party committee, the provincial people's congress standing committee, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference, including Quan Shuren, Wang Huaiyuan, Zhang Guoguang, Wen Shizhen, Li Guozhong, and Zhang Chenglun, and by responsible persons of departments concerned. Comrade Cho Kil-chun, consul general of the DPRK Consulate in Shenyang, also greeted the delegation at the station. When the delegation arrived in and departed Dandong, Shang Wen, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission, Wang Weizhong, secretary of the Dandong City Party Committee, and Liu Tingyao, acting mayor of Dandong city, went to the end of bridge and the station to see it off and to meet it.

#### **Sino-Mongolian Economic Cooperation Committee Meeting Ends**

*OW0305043394 Beijing XINHUA Domestic Service in Chinese 0137 GMT 30 Apr 94*

[Text] Ulaanbaatar, 29 Apr (XINHUA)—The third meeting of the PRC-Mongolian Government Economic, Trade, Science and Technology Cooperation Committee ended here on 29 Apr.

Liu Shanzai, Chinese vice minister of foreign trade and economic cooperation and leader of the Chinese delegation, and Tsebegmidiyn Tsogt, Mongolian minister of trade and industry and leader of the Mongolian delegation, signed the following two agreements and three exchanges of notes: the PRC-Mongolian Government Agreement on Economic and Technical Cooperation, the PRC-Mongolian Government Cooperation Agreement on Guarantee of Quality of Import and Export Commodities and Mutual Authentication, the Exchange of Note Concerning the Chinese Government's Extension of Gratuitous Aid to Mongolia, the Exchange of Note Between the Chinese and Mongolian Governments on Border Trade, and the Exchange of Note Between the Chinese and Mongolian Governments Concerning Clearance of Trade Balance Generated During the Period of Trade on Credit Between the Two Governments.

During the current session, candid and friendly discussions were held on matters of mutual concern, including the implementation of summary of minutes of the second meeting, current conditions and future prospects of Sino-Mongolian trade and economic cooperation, Sino-Mongolian cooperation on transportation, the viability of establishing a free-trade zone between the Chinese and Mongolian border towns of Eren and Dzamyn, and the date for the committee's fourth meeting.

The meeting was held here on 22 April. Mongolian Deputy Prime Minister Choyjilsurengiyn Purebdorj received the Chinese delegation on 29 April.

### **Southeast Asia & Pacific**

#### **Supreme Court President Meets Indonesian Counterpart**

OW0205121294 Beijing XINHUA in English 1154  
GMT 2 May 94

[Text] Beijing, May 2 (XINHUA)—Ren Jianxin, president of the Chinese Supreme People's Court (SPC), met here this evening with Purwoto Gandasubrata, president of Indonesian Supreme Court, and his party.

Gandasubrata and his ten-member entourage arrived here yesterday at the invitation of SPC. Besides Beijing they are also scheduled to visit Shanghai, Guangzhou and Shenzhen.

#### **Chinese, Indonesian Associations Sign Cooperation Pact**

OW0205135394 Beijing XINHUA Domestic Service in Chinese 0154 GMT 30 Apr 94

[By reporters Zhao Xinkao (6392 2450 5072) and Liu Ruiping (0491 3843 1627)]

[Text] Jakarta, 29 Apr (XINHUA)—A work program agreement was signed here this evening between the Association of China-Indonesia Economic, Social, and

Cultural Cooperation and the Association of Indonesia-China Economic, Social, and Cultural Cooperation. The two associations decided to further promote the cooperation and exchanges of the two countries in the economic, social, and cultural fields.

The pact was signed by Wang Guangying, the visiting vice chairman of the Chinese National People's Congress Standing Committee and president of the Association of China-Indonesia Economic, Social, and Cultural Cooperation, and Mr. Sukamdani, president of the Association of Indonesia-China Economic, Social, and Cultural Cooperation.

According to the agreement, a joint annual plenary meeting of the two associations will be held to strengthen mutual understanding and cooperation; to exchange views on the economic, social, and cultural development of both countries; to examine the implementation of the cooperation agreement, work program, and various projects; and to set up new yearly work program.

In addition, the two sides agreed to actively promote exchanges between the handicapped and other welfare organizations of the two countries.

The Association of China-Indonesia Economic, Social, and Cultural Cooperation delegation, led by Wang Guangying, will leave Indonesia for home on the morning of 30 April after a 10-day visit.

#### **Procurator General Meets Indonesian Visitors**

OW0305084094 Beijing XINHUA in English 0608  
GMT 3 May 94

[Text] Beijing, May 3 (XINHUA)—Zhang Siqing, procurator-general of the Chinese Supreme People's Procuratorate, met and feted Purwoto Gandasubrata, president of the Indonesian Supreme Court, and his party here today.

Gandasubrata and his entourage arrived here May 1 at the invitation of the Chinese Supreme People's Court. Besides Beijing they are also scheduled to visit Shanghai, Guangzhou and Shenzhen.

#### **Association Signs Work Program Pact With Indonesia**

OW2904163694 Beijing XINHUA in English 1553  
GMT 29 Apr 94

[Text] Jakarta, April 29 (XINHUA)—Indonesia and China today signed an agreement on work program to promote their economic, social and cultural cooperations.

The pact was signed between Wang Guangying, the visiting president of the Association of China-Indonesia Economic, Social and Cultural Cooperation, and Sukamdani S. Gitosardjono, president of the Association of Indonesia-China Economic, Social and Cultural Cooperation.



It was agreed that a joint annual plenary meeting of the two associations shall be held alternately in China and Indonesia to strengthen mutual understanding and cooperation, to exchange views on the economic, social and cultural development of both countries, and set up new yearly work program and projects of cooperation.

According to the agreement, the two associations shall periodically and jointly hold seminars on economic cooperation, alternately in China and Indonesia, for the purpose of exchanging experience and views and exploring ways and means for promoting the bilateral cooperation and joint ventures.

The Chinese delegation led by Wang Guangying, who is also vice chairman of the Standing Committee of the National People's Congress of China, is paying a ten-day friendly visit to Indonesia.

During its stay here, the delegation met Indonesian President Suharto, several ministers and provincial governors, and visited factories, villages and places of historical interest.

The delegation will leave here for home tomorrow.

#### **Fujian People's Congress Chairman Visits Malaysia**

*HK0205102494 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 26 Apr 94*

[Text] Yesterday afternoon [26 April], Malaysian Prime Minister Mahathir met at Parliament House with Jia Qinglin, chairman of the Fujian Provincial People's Congress, and some members of the Fujian delegation led by him which is visiting Kuala Lumpur. They had an enthusiastic and friendly talk.

Prime Minister Mahathir highly praised China's achievements in economic construction since reform and opening up. He wished the Fuzhou-Quanzhou superhighway project success, a project jointly carried out by the Malaysian Genting Group and (Ling Long) Group, and Fujian Province. He also hoped that after summing up the experiences of this project, friendly and cooperative relations between the two countries would be promoted.

Jia Qinglin expressed his thanks to Prime Minister Mahathir for managing to find time to meet with the Fujian delegation despite his tight work schedule. He also thanked the prime minister for showing concern for and supporting the Fuzhou-Quanzhou superhighway project. He briefed his host on Fujian's general situation and on the achievements made since reform and opening up.

Jia Qinglin and his party arrived in Kuala Lumpur on 23 April. During their stay in the city, Jia Qinglin met with Malaysian Minister of Transport Ling Liong Sik, Malaysian Minister of Primary Industries Lim Keng Yaik, and Malaysian Minister of Housing and Local Government

Ting Chew Peh. They had in-depth talks with the Genting and (Ling Long) Groups on their cooperation in carrying out the Fuzhou-Quanzhou superhighway project, and progress was made in their talks. They also visited a paper mill of the Genting Group and the (Proton) Automobile Manufacturing Plant. They called on the Malaysian Chinese Industrial and Commercial Federation, and contacted a wide range of enterprise figures to discuss a number of joint-venture and cooperative projects.

Jia Qinglin and his party left Kuala Lumpur today for Malacca and Penang to continue their visit.

#### **Trade, Investment Forum To Be Held in Australia in Jun**

*OW0205024494 Beijing XINHUA in English 0148 GMT 2 May 94*

[Text] Canberra, May 2 (XINHUA)—A China trade and investment forum will be held in Australia's big cities of Melbourne and Sydney early next month in a bid to give a further impetus to economic cooperation between the two nations.

The forum, initiated by the Chinese Government, will be held from June 1-2 in Melbourne and from 7-8 in Sydney and will be joined by more than 100 representatives of Chinese industries, the largest business delegation ever to visit Australia.

The forum was agreed by the two sides last October when Wu Yi, China's minister of foreign trade and economic cooperation, paid a visit to Canberra.

The event also follow the Australia-China forum held in Beijing organized by Austrade last year.

Austrade's East Asia regional office manager Martin Walsh said in a release today that the forums will provide a unique opportunity for the Chinese Government and business officials to outline investment and environment policies for Australian business.

He said that China continues to be of increasing importance to Australian exporters and the forums will offer outstanding opportunities for local firms to follow up with key contacts from China.

"The forums will also give Chinese company executives and other decision makers a chance to witness first hand Australian technology, industry expertise and capability," he said.

The two forums will mainly focus on sectors of building and construction, transport and telecommunications, food technology and manufacturing.

China, the largest buyer of Australia's wool, is the ninth largest export market for the South-Pacific country, with a two way trade standing at three billion U.S. dollars last year.



**Australian Governor-General Arrives in Xiamen**

HK0105055594 Fuzhou Fujian People's Radio Network  
in Mandarin 2300 GMT 25 Apr 94

[Text] Accompanied by Yu Xiaosong, head of the Chinese Government's accompanying delegation and vice minister of the State Economic and Trade Commission, and by Yu's wife, Australian Governor-General William Hayden, his wife, and 15-member party arrived in Xiamen yesterday afternoon [25 April] by special plane for a 2 and 1/2-day visit to our province. Governor Hayden started a state visit to our country on 18 April at the invitation of President Jiang Zemin. Governor Chen Mingyi and Xiamen Mayor Hong Yongshi went to Xiamen's Gaoqi International Airport to meet the governor and his party.

Governor Chen and Mayor Hong met with Governor Hayden that evening at the (Yuehua) Hotel. They separately briefed the guests on the reform and opening up and the economic development of the province and the city over the last decade or so. Chen Mingyi said: Fujian Province and Australia already have very good economic and trade exchanges, with an annual trade volume amounting to over \$60 million, and have established 20 or more cooperation projects. The economic and trade development of our province and Australia will have broader prospects in the days to come. He expressed his hope that both sides would promote more exchanges and cooperation. Governor Hayden stated: The economies of Fujian Province and Australia are highly complementary. Promoting more exchanges and cooperation is supportive to both sides. Our cooperation in the past has been smooth and successful. He expressed his hope for ever better cooperation in the days ahead.

**Australian Governor-General Ends Visit to Fujian**

HK0105055894 Fuzhou Fujian People's Radio Network  
in Mandarin 2300 GMT 27 Apr 94

[Text] William Hayden, governor-general of the Commonwealth of Australia, and his wife and party successfully ended their visit to our province yesterday [27 April], leaving Xiamen for Hong Kong by special plane.

On 26 April, accompanied by Governor Chen Mingyi, Xiamen Mayor Hong Yongshi, and others, Hayden and his party braved the rain to visit the Xiahua Electronic Enterprise Company Ltd., the Xiamen Torch High-Technology Development Zone, and the Dongdu Pier in order to get information on enterprise production and operation, and on infrastructure construction. Elatedly, he said: I have visited China on many occasions, but this is the first time I have inspected a special zone. He praised the Xiamen Special Economic Zone for its marked successes. The next day, the Australian guests went to Quanzhou, visiting the Museum of Sea Communications History and the (Kailian) Temple.

**Tian Jiyun Arrives in Port Moresby for 5-Day Visit**

OW2904161094 Beijing XINHUA in English 1530  
GMT 29 Apr 94

[Text] Canberra, April 29 (XINHUA)—Tian Jiyun, vice-chairman of the Chinese National People's Congress (NPC), arrived in Port Moresby, capital of Papua New Guinea (PNG), today to start his five-day visit to the South Pacific nation.

Tian said in a written statement upon his arrival that as the largest island country in the South Pacific ocean, PNG "has achieved commendable successes in safeguarding the national independence and developing the national economy over the past years."

"China and Papua New Guinea endured similar sufferings in history, and are facing a common task of maintaining peace and stability in this region and developing each other's economy," said Tian, who is heading a NPC delegation.

On the relationship between China and PNG, Tian said that "over the years, we witnessed a smooth development of friendly cooperation in all fields between our two countries."

He also said that economic and trade cooperation between the two countries have also yielded good results over the years.

Tian expressed his belief that his visit to the South Pacific nation will be a great success and the friendly relationship of cooperation between the two nations will continue to develop.

The PNG is the third leg of Tian's four-nation trip to the South Pacific, which has already brought him to New Zealand and Western Samoa, and will take him to Australia after his visit to PNG.

**Sub-Saharan Africa**

**Ambassador Views Ties With Nigerian Counterpart**

OW3004103394 Beijing XINHUA in English 1002  
GMT 30 Apr 94

[Report by Gu Zhenqiu]

[Text] Lagos, April 30 (XINHUA)—Nigeria is ready to learn from China in culture, science and technology, education and public health, a Nigerian minister said here on Friday [29 April].

Nigerian Information and Culture Minister Jerry Gana made the remarks in a meeting with Chinese Ambassador to Nigeria Hu Lipeng and Cultural Counsellor in the Chinese Embassy in Nigeria Dai Xingyuan.

In particular, Nigeria wants to learn traditional medical science from China, he said.

China has done a good job in mobilizing its population of over one billion to solve their own problems and develop their own country, he said, adding that "this means China is successful in informational and cultural publicity. Therefore, Nigeria wants to learn from China."

During the meeting, the Nigerian minister accepted the invitation by the Chinese Culture Ministry to pay a visit to China next year.

His future China tour will help the two countries to further expand Nigerian-Chinese cultural exchanges and strengthen mutual understandings between the two most populous nations in the world [as received], he said.

Besides, the Nigerian minister pledged that the Nigerian Government will continue to carry out the projects this year which should have been completed last year according to the Sino-Nigerian program on cultural and educational cooperation and exchanges.

As part of the program, three Chinese students arrived in Lagos last evening to further their study of Hausa language, one of the three major languages in Nigeria, at Ahmadu Bello University in north Nigeria.

On the other hand, China has received 10 Nigerian students since last year who are studying in Chinese universities and colleges.

Speaking with XINHUA after the meeting, the Chinese ambassador said that they held the meeting in "a very friendly atmosphere."

Also present during the meeting were directors of major departments in the Nigerian Information and Culture Ministry.

China and Nigeria signed an agreement on cultural cooperation in September 1981. Since then, the two countries have signed three pacts or programs on cultural and educational cooperation and exchanges.

#### **Mandela Declares ANC Victory in RSA Elections**

*OW0205212794 Beijing XINHUA in English 2051 GMT 2 May 94*

[Text] Johannesburg, May 2 (XINHUA)—Nelson Mandela, president of the African National Congress, declared here tonight his party the victor in South Africa's first all-race elections.

Speaking at a victory celebration here, Mandela said: "I regard it as the highest honor to lead the ANC at this moment in our history, and that we have been chosen to lead our country into the new century."

Mandela said: "Although not yet final we have received the provisional results of the election and are delighted by the overwhelming support for the African National Congress."

The ANC leader reiterated that the victory for the ANC is a victory for the people.

"To the people of South Africa and the world who are watching... This is a joyous night for the human spirit. This is your victory too. You helped end apartheid. You stood with us through the transition," he said.

"This is one of the most important moments in the life of our country. I stand before you filled with deep pride and joy—pride in the ordinary, humble people of this country," he said.

#### **West Europe**

##### **Li Ruihuan, Delegation Depart for Europe**

*OW0205061794 Beijing XINHUA in English 0554 GMT 2 May 94*

[Text] Beijing, May 2 (XINHUA)—Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), left here by special plane at noon today for official goodwill visits to Finland, Sweden, Norway, Denmark and Belgium.

He will arrive in Helsinki, the first leg of his five-European-nation tour.

Li has been invited by the governments of Finland, Sweden, Norway and Denmark and leaders of the Chamber of Representatives and the Senate of Belgium.

Official sources said that China and the five countries have enjoyed very good relations. Their exchanges and cooperation in the fields of politics, economy and trade, science and technology and culture have grown in depth and exchanges of high-level visits increased daily.

The sources described Li's visit to the five European countries as the first of its kind by China's CPPCC chairman.

During the visit, the sources said, Li will have wide contacts with leaders of the five countries and personages from all walks of life there to further the friendly ties and cooperation between China and the five countries in the spirit of seeking common grounds while reserving differences, deepening mutual understanding, expanding exchanges and enhancing cooperation.

Accompanying Li on the visit are Zhu Xun, secretary-general of the CPPCC National Committee; Liu Feng, CPPCC National Committee member and chairman of the Zhejiang Provincial Committee of the CPPCC; Mei Xiangming, CPPCC Standing Committee member and vice-chairman of the China Association for Promoting Democracy; Jiang Enzhu, vice-minister of foreign affairs; Wu Guanzhong, CPPCC Standing Committee member; Fang Fang, CPPCC National Committee member; and Tang Longbin, CPPCC National Committee member and vice-chairman of CPPCC Foreign Affairs Committee.



Li and his party were seen off at the Great Hall of the People by Qiao Shi, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee and chairman of China's National People's Congress Standing Committee, Wu Xueqian and Wan Guoquan, vice-chairmen of the National Committee of the CPPCC, and leading members of parties and departments concerned.

Diplomatic envoys of the five countries here were also present on the occasion.

#### **Li Ruihuan Arrives in Finland for Official Visit**

OW0205162394 Beijing XINHUA in English 1555  
GMT 2 May 94

[Text] Helsinki, May 2 (XINHUA)—Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), arrived here today by special plane for an official goodwill visit at the invitation of the Finnish Government.

Li was greeted at the airport by Finnish Foreign Minister Heikki Haavisto and other officials.

In his written airport speech, Li spoke highly of the relations between Finland and China. He said that the main purpose of his visit is to deepen the understanding, expand the exchanges and enhance the cooperation between the two countries.

During his stay here, Li will meet with President Martti Ahtisaari [name as received], Parliament Speaker Riita Uosukarnen [spelling of name as received] and Prime Minister Esko Aho, and hold talks with Foreign Minister Haavisto.

Finland is the first leg of Li's five-nation European tour, which will also take him to Sweden, Norway, Denmark and Belgium.

#### **Zhu Rongji Receives German Parliamentary Delegation**

OW0305110594 Beijing XINHUA in English 0927  
GMT 3 May 94

[Text] Beijing, May 3 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with a six-member delegation from the Germany-China group of German Federal Assembly here this afternoon.

The delegation, headed by congresswoman Ingrid Walz, arrived here on May 1 at the invitation of the Chinese National People's Congress (NPC) Standing Committee.

Dai Jie, vice-chairman of the Financial and Economic Committee of the NPC, held talks with the German guests this morning.

Dai is also chairman of the China-Germany Friendship Group of the NPC, Chinese version of parliament.

#### **NPC Vice Chairman Meets German Visitors**

OW0205130094 Beijing XINHUA in English 1242  
GMT 2 May 94

[Text] Beijing, May 2 (XINHUA)—Wang Hanbing, vice-chairman of the Standing Committee of the Chinese National People's Congress (NPC), met with a delegation from Germany-China group of German Federal Assembly here this evening.

The six-member delegation, headed by congresswoman Ingrid Walz, arrived here yesterday.

#### **East Europe**

#### **PLA Leader Departs on Visit to Romania, Poland, Hungary**

OW2904161294 Beijing XINHUA in English 1524  
GMT 29 Apr 94

[Text] Beijing, April 29 (XINHUA)—General Zhang Wannian, member of the Central Military Commission of China and chief of the General Staff of the Chinese People's Liberation Army (PLA), and his party left here today by plane for Romania, Poland and Hungary.

They are on an official goodwill visit to those countries at the invitation of leaders of the armed forces of the three countries.

Those who saw Zhang off at the airport were Deputy Chief of the General Staff of the PLA Lieutenant General Xu Huizi, and diplomatic envoys and military attaches of the embassies of the three countries concerned.

#### **PLA Logistics Department Chief Meets Hungarian Delegation**

OW2404115294 Beijing XINHUA in English 1138  
GMT 24 Apr 94

[Text] Beijing, April 24 (XINHUA)—General Fu Quanyou, director of the General Logistics Department of the Chinese People's Liberation Army (PLA), met with a delegation from the General Logistics Department of Hungary here this afternoon.

The delegation headed by Hollosi Nandor, deputy commander of the National Defence Forces, arrived here on April 16 as Fu's guest. The visitors toured Guangzhou and Shenzhen before they returned to Beijing.

The meeting was followed by a dinner hosted by Fu in honor of the delegation.



**Procurator-General Meets Visiting Hungarian Counterpart***OW2504131294 Beijing XINHUA in English 1240 GMT 25 Apr 94*

[Text] Beijing, April 25 (XINHUA)—Zhang Siqing, procurator-general of the Supreme People's Procuratorate, met here this evening with Hungarian Chief Public Prosecutor Gyorgyi Kalman [spelling of name as received].

In the afternoon, Zhang held working talks with the visiting Hungarian chief prosecutor, who visited China at the invitation of the Supreme People's Procuratorate.

**Rong Yiren Meets Visiting Hungarian Delegation***OW2604123294 Beijing XINHUA in English 0809 GMT 26 Apr 94*

[Text] Beijing, April 26 (XINHUA)—Chinese Vice-President Rong Yiren today told visiting Hungarian Chief Public Prosecutor Gyorgyi Kalman [spelling of name as received]: "we should handle the relationship between reform and stability in a better way."

Meeting with a Hungarian delegation led by Kalman at the Great Hall of the People here this morning, Rong said China will use stable and proper methods to control its annual national economic growth rate at about nine percent, so as to ensure its social stability and steady economic development.

He said that building up the legal system was an indispensable part of maintaining the country's social stability and economic development.

Over the past few years, he said, China has drawn up a great number of laws, but they still did not fully meet the needs of its economic growth.

Rong said: "we will rely on our own efforts to build the legal systems. At the same time, it is necessary to absorb foreign countries' useful experience."

On bilateral relations, Rong said China and Hungary are friendly countries. In recent years, the two countries have enjoyed very good cooperation in the field of economy and sound exchanges in building up legal systems.

The frequent exchanges of visits between the leaders of the two countries have boosted bilateral friendly ties and cooperation, he said.

Rong expressed the hope that the delegation's current visit will play a role in furthering bilateral relations.

Kalman said Hungary places great importance on developing its ties with China, adding that it is of great significance to develop such ties because China is one of the countries in the world which are playing a decisive role and also a permanent member of the United Nations Security Council.

He said Hungary was attentively watching China's building up of its legal system and was willing to develop its ties with the country's law departments.

Zhang Siqing, procurator-general of China's Supreme People's Procuratorate, participated in the meeting.

**'Roundup' Views Upcoming Hungarian Elections***OW3004082494 Beijing XINHUA in English 0702 GMT 30 Apr 94*

["Roundup" by Zhou Dongyao: "Time for Hungarians To Choose"]

[Text] Budapest, April 29 (XINHUA)—Flags of various colors representing different parties are flying over the Danube River bridge. Huge pictures are hung everywhere in the streets of the capital city.

The time has arrived again for Hungarians to choose.

The Hungarian general elections, which occur every four years, begin on May 8. Of the more than 90 parties across the country, 15 are eligible to take part in the campaign.

The exhausted party leaders are shuttling from city to city, from metropolis to countryside, shaking hands, smiling, making speeches and criticizing their opponents.

Everyone in this country is waiting for the time to vote, and for the election results.

In these elections, voters will choose 386 new representatives to form the new National Assembly. Those parties with five percent of the vote will have representatives in the Assembly.

The two or three parties with the most representatives will form the government; the others will be opposition members.

In the 1990 elections, the Democratic Forum party received the most votes. It allied with the Small Holder's Party and the popular Christian Democratic [People's] Party and formed a cabinet. The Alliance of Free Democrats, the Socialist Party and the Federation of Young Democrats become opposition parties.

However, in the past four years great changes have taken place. Opinion polls from the end of last year until now show that the Socialist Party is the favorite, followed by the Alliance of Free Democrats, the Federation of Young Democrats, the Democratic Forum, the Small Holder's Party and the popular Christian Democratic [People's] Party.

The ruling parties are losing their dominance, while the opposition parties are gaining. The opposition Socialist Party, according to the polls, could win as much as 25 percent of the vote.

Why have such changes occurred? it is widely believed that the change is happening because the ruling parties have not devoted their energies to economic development.

The country's economy declines every year, budget deficits rise, the jobless rate increases, and inflation remains high while fraud occurs in the process of privatization. This has all been pointed out by the opposition parties, who conclude that "the present economic situation is worse than 1990".

The most recent opinion poll found that only one percent of the people surveyed believe the government has done "very well", 27 percent say "good", 34 percent say "poor", 21 percent say "very poor" and 17 percent say they don't know.

But the ruling parties insist that they have done quite well, and that the country has been the most stable in Eastern Europe over the past four years. The government has achieved progress in economic reform, and the country has gained more foreign investment than any other in Eastern Europe. Yes, they say, the government has made some mistakes, but they have been corrected in time.

Peter Boross, Hungarian prime minister, believes he should be prime minister for another four years. He strongly opposes the Socialist Party assuming power, and rules out an alliance with the Alliance of Free Democrats.

Hungarian President Arpad Goncz, responding to both domestic and foreign fears and speculations, affirmed repeatedly that Hungary will not change its policies after the election.

However, it is believed that changes will be made in diplomatic policy and the administrative program after the election, though no party will change the multi-party parliamentary system, privatization or the market economy.

Such changes, if they were to occur, would send shock waves through the country, and no doubt in all of Eastern Europe. So the Hungarian people face a choice with great significance.

#### **Information Cooperation Protocol Signed With Romania**

*OW0205134694 Beijing XINHUA Domestic Service in Chinese 0203 GMT 30 Apr 94*

[Text] Bucharest, 29 Apr (XINHUA)—Yang Zhengquan, deputy director of the Chinese State Council Information Office, and (Roska) [luo shi ka 5012 0087 0595], deputy state secretary of the Romanian Government Information Office, signed a protocol on cooperation between information organizations of the two governments, in Bucharest on 29 April.

Arriving here on 27 April for a week-long friendly visit to Romania, Yang Zhengquan and his party held talks with (Roska) and exchanged conditions and experiences with him. They also met officials in charge of news organizations in Romania, including the state news agency, official government newspapers, and television and broadcasting stations.

#### **Latin America & Caribbean**

##### **Hu Jintao Visits Hydroelectric Power Station in Brazil**

*OW0105080794 Beijing Central Television Program One Network in Mandarin 1100 GMT 25 Apr 94*

[From the "National News Hookup" program]

[Text] [Video shows medium shots of Hu Jintao visiting a hydroelectric power station and meeting with Brazilian officials, as well as medium shots of him shaking hands with Overseas Chinese]

Hu Jintao, member of the Political Bureau Standing Committee and CPC Central Committee Secretariat who is visiting Brazil, visited the (Yitaihu) hydroelectric power station, the world's largest hydroelectric power station, in (Yibas) on 25 April. The (Yitaihu) hydroelectric power station on the Brazil-Paraguay border has 18 generators with an annual power generation capacity of 79 billion kilowatt-hours and an annual earning of \$2.3 billion from customers.

Hu Jintao viewed with great interest the generator and control rooms' major equipment and inquired about some details of the power station. Later, Hu Jintao met with (Yibas) Mayor (Gustavo). During his stay in (Yibas), he also met the representatives of Paraguayans and Brazilians of Chinese descent and of Overseas Chinese residing in Paraguay and Brazil. He expressed his appreciation of their contributions to the promotion of Sino-Brazilian friendship, economic cooperation, and trade.

Hu Jintao and his party arrived in Brazil and began their visit on 24 April.

##### **Hu Jintao Visits Brazilian City of Manaus**

*OW0105083994 Beijing XINHUA Domestic Service in Chinese 0409 GMT 29 Apr 94*

[By reporters Wu Yongheng (0702 3057 1854) and Zhang Guoying (1728 0948 5391)]

[Text] Manaus (Brazil), 28 Apr (XINHUA)—Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee and Secretariat, visited Manaus, capital of Amazon State, on 28 April.

Manaus is the largest city in the Amazon district as well as the economic and cultural center of northern Brazil. Hu Jintao and the CPC delegation headed by him visited



the Amazon Research Institute and heard briefings from the person in charge of the institute. Hu Jintao inquired with great interest about the development and utilization of natural resources and environmental protection in the Amazon area.

Hu Jintao and his party also visited Chinese managerial personnel and technicians at Huazi Timber Company, a local company that China invested in and set up. He called on them to carry forward a pioneer spirit, expand the business scale, raise economic efficiency, and manage the enterprise even better.

At noon, Amazon Acting Governor (Alsermia Persoa) met and feted Hu Jintao and delegation members.

The CPC delegation arrived in Manaus in the afternoon of 27 April following its visit to Brasilia, Brazil's capital. Hu Jintao and his party toured the Amazon River accompanied by Manaus Mayor (Bulaca).

#### **XINHUA Views Hu Jintao Visit to Brazil**

*OW0105102194 Beijing XINHUA Domestic Service in Chinese 0357 GMT 30 Apr 94*

[By reporters Wu Yongheng (0702 3057 1854) and Zhang Guoying (1728 0948 5391)]

[Text] Rio de Janeiro, 29 Apr (XINHUA)—The CPC delegation led by Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee, arrived in Brazil's Rio de Janeiro 28 April to start the delegation's friendly visit.

On the morning of 29 April, Rio de Janeiro State Governor Batista met with Hu Jintao and the CPC delegation. Amid a warm and friendly atmosphere, the two sides pledged to make joint efforts to push exchanges and cooperation between them in the economic, cultural, science-technology, and other fields to a new developing period.

Batista said that Brazil and China should cooperate with each other. He said: Despite the difference of political systems, the two countries have many things in common that are the basis for promoting closer relations and further developing friendship and cooperation between the two countries.

Hu Jintao said that, through this visit, he felt friendship between China and Brazil has taken a deep root in the hearts of the people of the two countries. He said: Further strengthening and developing friendship and cooperation between the countries are the common wishes of the people of the two countries and also a historical certainty.

Hu Jintao said: Both China and Brazil have vast land and abundant natural resources with great potential for development, and both countries are faced with the tasks of developing their own economy and improving people's living conditions. He also said that the two countries are economically complementary to each other and

that there are broad prospects for further expanding cooperation between the two.

Hu Jintao pointed out: Under the current international situation, the two countries should strengthen unity and cooperation and contribute to safeguarding peace and stability and establishing a new political and economic order in the world.

After the meeting, Batista gave a luncheon to welcome the CPC delegation. Former Rio de Janeiro Governor Brizola also attended the meeting and luncheon.

On the afternoon of 29 April, Hu Jintao and other CPC delegation members met and had a group picture taken with all staff members of the Chinese Consulate General in Rio de Janeiro and representatives of Chinese enterprises at the hotel where the CPC delegation stayed.

#### **Brazilian Foreign Minister Meets Hu Jintao**

*OW0105094694 Beijing XINHUA Domestic Service in Chinese 0724 GMT 27 Apr 94*

[By reporters Wu Yongheng (0702 3057 1854) and Zhang Guoying (1728 0948 5391)]

[Text] Brasilia, 26 Apr (XINHUA)—Brazilian Foreign Minister Celso Amorim met with Hu Jintao, member of the Standing Committee of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat, and the CPC delegation headed by him on the evening of 26 April.

During the meeting, both sides exchanged views on international situation and on further developing the relations between China and Brazil. Both sides expressed satisfaction over the smooth development of the friendly cooperative relations in political, economic, scientific, and trade fields since the two countries established diplomatic relations 20 years ago. They also shared the same view that great potential and bright prospects lie ahead for the two countries' cooperation in those fields. They expressed the hope that the forthcoming visit of Brazilian President Itamar Franco to China will achieve rich results and will further contribute to the further development of Sino-Brazilian relations.

On the same afternoon, Hu Jintao and his party visited the Rare Trees and Prairie Research Center attached to Brazil's Farm and Ranch Company.

#### **Hu Jintao Ends Visit to Latin American Countries**

*OW0105194294 Beijing XINHUA Domestic Service in Chinese 0407 GMT 30 Apr 94*

[Text] Rio de Janeiro, 29 Apr (XINHUA)—The CPC delegation led by Hu Jintao, standing committee member of the Political Bureau of the CPC Central Committee, ended its friendly visits to Uruguay, Argentina and Brazil, and left Rio de Janeiro by plane for home 29 April.



According to an official of the International Liaison Department of the CPC Central Committee who is also a member of the visiting delegation, the CPC delegation's visits to the three Latin American countries have promoted friendship, strengthened cooperation, promoted peace and development, and successfully accomplished the tasks of the trip.

At the invitation of Uruguay's Blanco Party, Argentina's Justicialista Party and the Brazilian Government, the CPC delegation visited the three countries from 18 to 29 April. During the delegation's visit, Uruguayan President Lacalle, Argentine President Menem, Brazilian President Franco, and speakers of the three countries' parliaments met with Hu Jintao and his party. The CPC delegation held working talks or friendly meetings with leaders of political parties of the three countries, and extensively exchanged views on the domestic situation and issues of common concern. The CPC delegation also visited plants, rural areas, schools, scientific research institutes, and homes of local families.

The main subject of talks between Hu Jintao and leaders of the three countries is to further strengthen friendship and cooperation between China and the three countries. During the talks, both sides stressed the necessity and importance of strengthening cooperation in international affairs, expressed satisfaction over the existing bilateral relations, held that it is very necessary and beneficial to maintain high level contacts and political dialogue, and visualized good prospects for cooperation between China and the three countries in political, economic, trade, science and technology, cultural, and

other fields in the wake of further development of economic construction and opening up to the outside world by China and the three countries. President Menem said that Argentina would strengthen friendly relations between Argentina and China and between the Justicialist Party and the CPC. President Lacalle said that Uruguay placed great hopes on strengthening friendship and cooperation with China. President Franco hoped that his forthcoming visit to China would further promote the development of relations between Brazil and China.

The CPC has maintained good relations with the ruling and main opposition parties of the three countries for many years. During the CPC delegation's visit, Hu Jintao and leaders of political parties of the three countries spoke highly of the existing friendship and held that contacts between political parties is an important channel for political dialogue and conducive to enhancing mutual understanding and friendship and promoting the development of state relations. Both sides unanimously pledged to continue their efforts to further promote friendly exchanges between the CPC and political parties of the three countries on the basis of the principle of acting independently and keeping the initiative in one's own hands, total equality, mutual respect, and noninterference in the internal affairs of other countries.

Other members of the delegation, including Li Zemin, secretary of the Zhejiang Provincial CPC Committee, and Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, left Rio de Janeiro for home by the same plane.

**Political & Social****Li Ruihuan, Others at Labor Day Celebration**

OW0205210094 Beijing XINHUA Domestic Service in Chinese 1032 GMT 28 Apr 94

[By reporters Li Niangui (2621 1628 6311) and Chu Baoping (2806 0202 1627)]

[Text] Beijing, 28 Apr (XINHUA)—More than 3,500 staff members and workers today [28 April] gathered at the Great Hall of the People to celebrate the brilliant festival of the working class and laboring people—"1 May" International Labor Day.

Li Ruihuan, standing committee member of the Political Bureau of the CPC Central Committee; and Li Lanqing and Wei Jianxing, members of the Political Bureau of the CPC Central Committee, attended today's celebration meeting.

The celebration meeting started with the majestic strains of the national anthem. Zhang Dinghua, vice president and first secretary of the All-China Federation of Trade Unions, presided over the celebration meeting. Wei Jianxing presented a report at the meeting, entitled: "The Working Class Should Be a Model in Promoting Reform and Development and Maintaining Stability." On behalf of the party Central Committee and the State Council, he extended festival greetings and cordial regards to workers, peasants, intellectuals and other laboring people of all nationalities and to commanders and fighters of the Chinese People's Liberation Army and the Armed Police and public security cadres and policemen who have heroically defended the motherland and protected the people and the socialist modernization drive. He also expressed his high respects to model workers and advanced collectives which have made outstanding contributions to reform, opening up, and the socialist modernization drive.

Wei Jianxing said: Reform is the only way to make the country strong and make the people rich. It represents the interests and desire of the working class and people of all nationalities of the whole country and is the own demand of the working class. Only by carrying out reform, constantly liberating and developing the productive force, promoting economic construction, making all-round progress in society, and building China into a rich, powerful, democratic, and civilized country, can we continuously consolidate the position of the working class as the masters of the country and benefit the working class. The working class must consider reform as their own task, firmly support reform with perseverance despite difficulties, actively plunge themselves into the work of reform, and continuously push forward the reform work. The state-owned large- and medium-sized enterprises are the pillar of the national economy. Only when we have successfully carried out reform in state-owned large- and medium-sized enterprises can we fully demonstrate the superiority of the socialist system and establish a firmer material foundation for the working

class and the broad masses of people to be the masters of the country. The working class should make its due contributions to deepening the reform of enterprises, accelerating the establishment of a modern enterprise system, and doing a good job in improving the state-owned large- and medium-sized enterprises.

Wei Jianxing emphasized: Both reform and development need a stable social and political environment. We have started a number of reform measures this year and taken a greater stride. The reforms, involving a wide range of activities, will inevitably touch some deep-rooted contradictions and encounter many unprecedentedly complex circumstances and problems. They will involve the readjustment of power and interest patterns. I hope that the working class will carry forward the fine tradition of taking the interests of the whole into account, proceed from the overall and long-term national interests, and make immediate, individual, and partial interests subordinate to long-term interests of the whole, so as to maintain social and political stability and ensure the smooth proceeding of reforms.

Wei Jianxing pointed out: One of our party's consistent and fundamental guiding principles is to rely on the working class wholeheartedly. In order to deepen reform, promote development, and maintain stability, we should carry out this principle even more seriously. Any thought or deed which violates this principle is erroneous. He said: In order to rely on the working class wholeheartedly, we must fully respect the role of workers and staff members as the masters of their own affairs, protect their legitimate rights and interests, and arouse their enthusiasm and creativity. We should seriously study new circumstances and solve new problems during the course of implementing the principle, and enact adequate laws and regulations to ensure the implementation of the principle.

Yang Xingfu, vice president of the All-China Federation of Trade Unions, read to the meeting a "decision of the All-China Federation of Trade Unions on launching among the workers and staff members across the country a campaign to learn from the 'top ten outstanding workers and staff members of the country.'" Other speakers at the meeting included Bao Qifan, a representative of national model workers and deputy manager of Nanpu Harbor Affairs Company of Shanghai Harbor; Guo Linghua, a representative of national model workers and electric welder of Dalian Shipyard; and Feng Changgen, a representative of national model workers and professor of Beijing Science and Engineering University.

The following leading comrades also attended the meeting: Ni Zhifu, Chen Muhua, Lei Jieqiong, Cheng Siyuan, Buhe, Peng Peiyun, Luo Gan, Ngapoi Ngawang Jigme, and Wan Guoquan.

**NPC Spokesman: Standing Committee To  
Convene 5 May**

OW0305052994 Tokyo KYODO, English 0444 GMT  
3 May 94

[Text] Beijing, May 3 KYODO—The Standing Committee of China's Eighth National People's Congress (NPC) will convene Thursday [5 May] to deliberate several economic laws and controversial regulations concerning China's legal system, an NPC spokesman announced Tuesday.

The Standing Committee will deliberate the drafts of "The Foreign Trade Law of the People's Republic of China," "The Urban Real Estate Administration Law of the PRC," "The Judges Law of the PRC," and "The Procuratorial Law of the PRC," the spokesman said.

Draft regulations on the administration of punishments by public security departments will also be discussed in efforts to "safeguard social and public order and guarantee social stability," he said.

Although the drafts of the laws and regulations were not made available, observers noted that those concerning the legal system and maintenance of public order were aimed at increasing the powers of police organs within the legal framework.

During the eight-day meeting a draft of "The Decision by the Standing Committee of the NPC on Punishment of Violations of Intellectual Property Rights" will also be deliberated, the spokesman said.

The Eighth NPC plans to formulate 152 laws during its five-year tenure, with 21 laws to be formulated this year, he said. The upcoming meeting of the Standing Committee, its seventh session, will deliberate 13 laws.

**XINHUA Reports Meeting**

OW0305093694 Beijing XINHUA Domestic Service in  
Chinese 0558 GMT 3 May 94

[Text] Beijing, 3 May (XINHUA)—The media spokesman of the General Office of the Standing Committee of the Eighth National People's Congress [NPC] announced today in Beijing that according to a decision of the chairmanship meeting, the Seventh Session of the Eighth NPC Standing Committee will be held in Beijing for about eight days starting 5 May.

It was learned that the agenda of the Standing Committee meeting proposed by the chairmanship meeting is: to examine the draft foreign trade law of the PRC; the draft state reimbursement law of the PRC; the draft decision of the NPC Standing Committee on punishing crimes of violating the regulations governing the administration of companies and enterprises; the draft supplementary provisions of the regulations governing the punishment of people who violate public security management; the draft revision of the regulations governing the ranks of officers of the Chinese People's Liberation Army; the draft urban real estate management law; the

draft decision of the NPC Standing Committee on punishing those who infringe upon other people's copyrights; the draft law governing judges of the PRC; and the draft law governing procurators of the PRC.

The Standing Committee session will also hear and examine a report by the State Council on the progress of the Three Gorges construction project; will examine a written report on the NPC delegation's attending the 91st meeting of the World Parliamentary Alliance; and will make decisions on appointments and dismissals and other matters.

**Triads, Clans Supplant Communist Party in Rural  
Areas**

HK0305112494 Hong Kong AFP in English 1104 GMT  
3 May 94

[Text] Beijing, May 3 (AFP)—Crime has become so rampant in the Chinese countryside that in some places clans and triads are now more powerful than the communist party, the LEGAL DAILY [FAZHI RIBAO] warned Tuesday. The lawlessness means Beijing is having more and more trouble controlling the social, economic and political situation outside the big cities, it said. "All types of criminality and delinquency are increasing in the country," the newspaper reported, adding that in certain villages "clans and triad-type organisations have supplanted the communist party."

Triads—secretive groups with extensive involvement in organised crime activities—have long been banned in China but have reportedly been making a comeback.

It said clans, which have deep roots in China because of the cultural importance given to lineage and family ties, have also gotten out of hand, often seizing control of land, water, roads and crops.

Faced with this explosive situation, "party organisations are sometimes in a state of paralysis," the newspaper complained, calling for an increase in the number of police. The Legal Daily said the fault lay with local leaders but also with a general population obsessed with getting rich at any cost, and had led many individuals and even villages to decide to settle scores with rivals. Last year, police listed 600 such battles between villages that had left 100 peasants dead and another 2,000 wounded. Making a resurgence in the countryside along with traditional local hatreds was what the LEGAL DAILY described as reactionary behaviour, notably prostitution and the sale of women and children.

If many peasants find themselves richer as a result of the economic reforms which led to the dismantling of the commune system set up by Mao Zedong, tens of millions are worse off and find themselves living in harsh conditions. More than 100 million people in the countryside are now considered surplus labour. Disturbances in several provinces broke out last year, provoked by rural



discontent over rising prices and taxes and the corruption of local officials, and officials have expressed fear the trouble will be repeated this year.

#### **CPC Issues Circular on Journalistic Ethics**

*OW0205125194 Beijing XINHUA Domestic Service in Chinese 0621 GMT 25 April 94*

[Text] Beijing, 25 April (XINHUA)—The Propaganda Department recently issued a circular urging propaganda departments of all local CPC committees and press units to persevere in promoting professional ethics among reporters.

The circular says: Economic crime offenders involved in a grave case in which the Changcheng Company of Mechanical, Electrical, Scientific, and Technological Industries in Beijing illegally raised funds were given sentences in accordance with the law. Meanwhile, reporters who received bribes and concocted misleading public opinions for this illegal funding activity were punished in accordance with the law. A small number of reporters who could not resist monetary temptations compiled fake stories aimed at confusing the public. As a result, they severely disturbed the economic order and damaged the interests of the state and the people. They also tarnished the reputation of the party's papers. We should learn from this lesson and further improve professional ethics among reporters.

The circular points out: Since the Third Plenary Session of the 11th CPC Central Committee, China has achieved, under the party's leadership, outstanding results in the press work and made important contributions to the drive of reform, opening up, and socialist modernization. The overall quality of our reporters is good. Specially after the issuance of the circulars concerning the bans on "paid journalism" and "buying and selling of book numbers," the ill practices that are against the professional ethics of the press and publications have been curbed. We must treat the bans on "paid journalism" and "buying and selling of book numbers" as well as the effort to improve professional ethics among reporters as a long-term work and persist in carrying it out. By using the above-mentioned case as a negative example, we should launch a thoroughgoing campaign to boost journalistic ethics and strengthen the construction of the press.

The circular urges propaganda departments of all local CPC committees and press units to conduct, in the light of the guiding spirit of the national meeting on propaganda and ideological work and local realities, an investigation on the work of carrying out the "circular concerning strengthening the construction of the professional ethics among the reporters" issued by the Propaganda Department and the Press and Publications Administration last year. Those who achieve good results should be commended while those who continue the ill practices of "paid journalism" should be severely dealt with. It is necessary to organize reporters to conduct discussions on the Changcheng Company case and

draw lessons from it. In the light of the characteristics of their work, press units should formulate relevant regulations and systems to tighten self-discipline and conscientiously accept public supervision. It is necessary to energetically advocate the work style of the reporters who go deep into the realities of life, who immerse themselves among the masses, who maintain closed ties with the people, and who work hard. We should commend collectives and individuals who go down to the grass-roots units, who are honest in performing their duties, who observe laws and disciplines, and who make outstanding contributions to the drive of reform, opening, and modernization.

#### **Regulations on Rewarding Teaching Achievements**

*OW0205194694 Beijing XINHUA Domestic Service in Chinese 0524 GMT 17 Mar 94*

[Text] Beijing, 17 Mar (XINHUA)—The Regulations on Encouraging and Rewarding Teaching Achievements ["Regulations"]:

Article 1. The "Regulations" have been formulated to encourage and reward collectives and individuals who have accomplished teaching achievements and to encourage educators to carry out educational and teaching studies in an effort to raise teaching standards and education quality.

Article 2. Teaching achievements referred to in the "Regulations" are educational and teaching programs that reflect educational and teaching patterns, that are creative, original, and practical, and that produce prominent effects in raising teaching standards and education quality and in fulfilling development objectives.

Article 3. Schools and academic institutions at various levels, other social organizations, teachers, and other individuals may apply for teaching achievements awards ["Awards"] in accordance with the "Regulations" provisions.

Article 4. The "Awards" are divided into national and provincial (departmental) levels based on effects of the educational and teaching programs in raising teaching standards and education quality and in fulfilling development objectives.

Article 5. Those who meet the following requirements may apply for the national "Awards":

1. It is a pioneer program in China.
2. The educational and teaching program has been practiced and assessed for more than two years.
3. It has exerted a certain impact across China.

Article 6. The national "Awards" are divided into special, first, and second classes. Relevant certificates, medals, and cash shall be awarded accordingly.

Article 7. The State Education Commission shall be responsible for appraising and approving applications

for the national "Awards" and to present awards to the winners. The State Council's approval should be obtained before a special national "Award" is granted.

Article 8. To get a national "Award," an achievement-accomplishing unit or individual should, according to the administrative chain of command, submit an application to a corresponding provincial, regional, or municipal people's government education administrative department, or to a relevant State Council department's education management organization. The education administrative department or the education management organization handling applications shall make recommendations to the State Education Commission.

A unit or individual attached to a relevant State Council department situated in a certain locality may also apply at the provincial, regional, or municipal people's government education administrative department there. The education administrative department handling applications shall make recommendations to the State Education Commission.

Article 9. To apply for a national "Award"—if a teaching achievement project has been jointly accomplished by more than one unit or individual from different provinces, autonomous regions, or municipalities, or State Council departments—participating units or individuals should jointly submit an application to a corresponding provincial, regional, or municipal people's government education administrative department, or to a relevant State Council department's education management organization in the same locality where the unit or individual hosting the teaching achievement project is situated. The education administrative department or the education management organization handling applications shall make recommendations to the State Education Commission.

Article 10. The State Education Commission should announce the results of an application for the national "Awards" within 90 days after receiving recommendations. Within 90 days of a public announcement of the results, any unit or individual disagreeing with the ownership of the teaching achievement project may make the claim to the State Education Commission, which shall adjudicate the case.

Article 11. Applications for the national "Awards" shall be appraised once every four years.

Article 12. Using the "Regulations" as a guiding reference, relevant departments of the provincial, regional, or municipal people's government, or the State Council shall formulate assessing and rewarding conditions on the provincial (departmental) "Awards," classes of awards, cash value, and appraising organizations and procedures. If the "Awards" are approved and presented by a provincial, regional, or municipal people's government, relevant funds shall be deducted from local budgetary operating expenses. If the "Awards" are approved and presented by a relevant State Council department, the funds shall be deducted from its operating expenses.

Article 13. Cash given for the "Awards" shall belong to the project winner. No other unit or individual may retain it.

Article 14. Granting of the "Award" should be recorded in the winner's personal performance evaluation files as an important criterion for assessing and grading his post title, or for offering promotions and salary increases later.

Article 15. Awards given to those faking or copying others' teaching achievements shall be revoked by the relevant awarding unit. All certificates, medals, and cash delivered shall be retrieved accordingly. Relevant unit shall be instructed to mete out disciplinary sanction against culprits.

Article 16. The "Regulations" shall be effective on the date of promulgation.

#### **Editorial Report on Crime, Punishment 16-30 Apr HK0205143894**

[Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC monitored by Hong Kong Bureau during the period 16 to 30 April. The source and mode of processing are given in parentheses at the end of each entry.

As evidenced by the stories listed below, PRC crime reportage did not focus on any one single issue during the month although Guangdong's crackdown on vehicular theft continues unabated.

#### **National**

##### **Customs Crack Down on Forged Bills, Documents**

The Chinese Customs recently issued a circular calling on all localities to crack down on goods being smuggled by the use of forged customs papers, chops, and signatures. Since the beginning of this year, the customs has uncovered over 20 such cases worth 90 million yuan, accounting for 35 percent of the cases handled during the same period. The goods smuggled by these means included vehicles, motorcycles, color television sets, rolled steel, and polyester fiber. (Summary) (Hong Kong MING PAO in Chinese 13 Apr 94 p A11)

##### **Public Security Bureaus Tighten Crackdown on Drug Trafficking**

Public security bureaus nationwide have been carrying out antinarcotics raids since the beginning of the year and more than 2,000 drug-trafficking cases have been uncovered, nearly 100 percent up on the same period last year, and some 2,000 kg of various drugs have been seized. Yunnan, Guangxi, Fujian, and Guangdong have taken strong action against drug trafficking both on the borders and at sea. Yunnan solved 900 drugs cases involving 700 kg of heroin. Guangxi and Guangdong



both cracked over 400 drugs cases, arresting some overseas suspects. Fujian Province boosted the number of raids, solving 22 cases and seizing nearly 40 kg of drugs and arresting 57 suspects, including several Taiwan natives (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1233 GMT 25 Apr 94)

#### **Police Crack Down on Electricity Power Line Thefts**

Police cracked down on peasants stealing electricity power lines last year and over 1,000 people were caught stealing power supply property and damaging facilities. More than 750 cases were uncovered by police. Some 19 culprits were sentenced to death and 64 offenders imprisoned. Farmers in poor areas stole power and phone lines, transformers, and poles and sold them as scrap metal to waste recycling stations. The recyclers often sold the processed waste back to the power stations. About \$4.17 million's worth of equipment was stolen last year resulting in \$11.5 million in economic losses. According to the Ministry of Power Industry, almost 24 million kwh were lost (Summary) (Beijing CHINA DAILY in English 18 Apr 94 p 3)

#### **Successes Scored in Fight Against Smuggling**

Since last August, all localities have launched a large-scale struggle against smuggling. Shandong organized public security, customs, industrial and commercial, and other law enforcement departments and assigned 1,700 personnel to form 140 patrol teams, which patrolled the harbors and ports throughout the whole province, day and night, effectively checking large-scale smuggling. Yunnan Province took action against the smuggling of cars and motorcycles through its borders. Jilin adopted stiff measures to effectively check the illegal activities of using the frozen Tumen Jiang to smuggle cars. Guangdong focused its attack on the use of motorboats for smuggling, detaining a total of 49 boats. Fujian strengthened management over ships and boats and cracked down on smuggling activities using small boats. Shanghai organized the relevant departments to resolutely close down the cigarette smuggling market in Guangfu Road. Beijing organized the relevant departments, waged special struggles on six occasions, and handled 281 cases concerning enterprises and institutions involved in smuggling. Guangxi Autonomous Region combined the reorganization of foreign trade with the anti-smuggling struggle and adopted resolute measures to curb smuggling from the sea. According to incomplete statistics, the country handled 10,062 smuggling cases in the first half of the year, worth 2.64 billion yuan. The 12 coastal and border provinces, autonomous regions, and municipalities handled 236 major smuggling cases, each involving over 1 million yuan. A total of 1,181 suspects were questioned, 216 arrested, and 124 were sentenced. (Summary) (Hong Kong WEN WEI PO in Chinese 23 Apr 94 p B11)

#### **Provincial**

##### **Fujian**

#### **Procuratorate Cases Involve Party, Government Cadres**

The Fujian Procuratorate has disclosed that the number of major cases involving party and government cadres has increased sharply and has become the characteristic of the current corruption and bribery cases. Last year the province investigated 52 cadres at and above county and office level; the major cases accounted for 62 percent of the total, both reaching the highest rate in years. The large bribery case, involving 3.36 million yuan and 15 departmental level cadres, including the director and party committee secretary of the Minjiang Hydropower Engineering Bureau under the Power Ministry, shocked the nation. Last year the Fujian Procuratorate placed more than 1,870 cases of corruption and bribery on file for investigation and prosecution, of which 13 involved over 1 million yuan; 52 cases involved cadres at and above county and office level, an increase of 370 percent over the previous year; and five cases involved cadres at above department level. Through handling these cases, the procuratorial organs retrieved losses of 75.3 million yuan for the state and collectives. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0926 GMT 19 Apr 94)

#### **Xiamen Customs Crack Down on Forged Bills, Chops**

The Xiamen Customs recently set up a special group to crack down on smuggling and maintain normal imports and exports. While handling the formalities for importing motorcycles, the Xiamen Customs Port Office in Heping discovered that the customs certificates, customs chops, and signatures of the customs officials were all forged. The Xiamen Customs also found that the lawless elements in society frequently forged papers to smuggle goods in and out of the country. In view of this, the Xiamen Customs maintained contacts with the Guangdong and Shanghai Customs, found their weak links, and took joint action to crack down on smuggling using forged customs papers. (Summary) (Beijing ZHONGGUO XINWEN SHE 1100 GMT 22 Apr 94)

##### **Guangdong**

#### **Public Security Organs Thwart Human Smuggling Cases**

The public security organs and border defense departments of Shantou, Huizhou, and Foshan in Guangdong recently cracked three human smuggling cases organized by lawless elements at home and abroad. They intercepted a total of 153 illegal emigrants from Fujian and Hunan and arrested four human traffickers from Taiwan and the interior. (Summary) (Hong Kong MING PAO in Chinese 23 Apr 94 p A12)



### **Shenzhen Public Security Bureau Smashes Gambling Den**

Police officers from the Shenzhen Public Security Bureau recently smashed a large gambling den in the western suburbs of the city, arresting 23 staff members of the "Amusement Center" and 58 gamblers, and confiscating 24,840 yuan and HK\$15,800 (Hong Kong dollars) in cash and two slot machines. The so-called "Amusement Center," run by someone surnamed Huang and others, did not have a business license but could earn between 10,000 to 20,000 yuan a day. The public security organs also sealed the illegally established "Shatou Amusement Center," imposed a fine of 60,000 yuan, and confiscated the gambling devices. (Summary) (Hong Kong WEN WEI PO in Chinese 17 Apr 94 p A3)

### **Shenzhen Sentences Nine Criminals to Death**

Shenzhen Special Economic Zone in Guangdong Province held five large-scale meetings between 23 and 27 April, conducted by the Shenzhen Municipal Intermediate People's Court and the people's courts in Baoan, Nanshan, Futian, and Longgang Districts, to pronounce sentence on 106 criminals involved in 34 serious cases. Nine culprits were sentenced to death and 97 received suspended death sentences, life imprisonment, or other prison terms. Those sentenced to death and immediately executed had been found guilty of murder, robbery, and rape. More than 10,000 residents attended the meetings. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 0857 GMT 28 Apr 94)

### **Vehicular Thefts Show Sharp Increase**

Statistics show that Guangdong now has 3.27 million vehicles. However, more than 4,000 vehicles and 26,000 motorcycles were stolen in 1993, an increase of 180 and 47 percent respectively over the previous year, involving losses of 100 million yuan. In the first two months of this year, the numbers of stolen vehicles and motorcycles rose by 45 percent over the same period last year. Both the numbers of carjacking and stolen car cases top the nation's list. According to the Guangdong Political and Legal Conference and the Conference of Public Security Bureau Directors held recently, a special struggle against vehicle and motorcycle theft, led personally by director Chen Shaoji of the Guangdong Public Security Department, was launched provincewide commencing 1 April. (Summary) (Hong Kong WEN WEI PO in Chinese 15 Apr 94 p A6)

### **Struggle Continues Against Vehicular Theft**

During the last 10 days, Guangdong Province has: Solved 1,153 cases of car theft, 118 cases of carjacking, and eight cases of carjacking-related murder; broken up 327 gangs which disposed of stolen vehicles; arrested 1,164 culprits; and recovered 1,102 stolen vehicles. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 17 Apr 94)

### **Foshan City Clamps Down on Vehicular Theft**

In accordance with the provincial public security department plan, Foshan City public security organs are waging a citywide struggle against the thefts of motor vehicles and bicycles. Since the end of March, the city has arrested 122 criminals who stole or carjacked motor vehicles and 167 criminals who resold stolen bicycles; solved 110 cases of vehicle theft and carjacking; and recovered five stolen cars, 116 motorcycles, and 1,216 bicycles. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 16 Apr 94)

### **Smuggled Goods Net 320 million Yuan in 1st Quarter**

In the first quarter of this year Guangdong Province handled 1,354 smuggling cases and the confiscated goods and fines imposed totaled 320 million yuan. Because of the seriousness of the smuggling situation, the relevant departments are adopting further measures to severely crack down on such crimes including the destruction of vessels used for smuggling and further rectification of markets for cars, motorcycles, and household electrical appliances. This will block the channels for circulating smuggled goods and the public will be mobilized to boycott them. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 0745 GMT 29 Apr 94)

### **Guangxi**

#### **Fangchenggang Security Bureau Finds Obsolete Arms in Ship**

The Guangxi Fangchenggang public security organs found some obsolete arms in a foreign ship a few days ago. The "goods" were bought as scrap metal by the Fangchenggang Yinhai Industrial Corporation from a foreign company. The corporation leased a foreign vessel to ship the goods to Fangchenggang without the authority of the Chinese side. There was a total of 57 rifles of various types which could have been used after some repair. They included 18 Tommy-guns, 17 automatic and semi-automatic rifles, 11 light machine guns, two heavy machine guns, four carbines, and one flamethrower. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1419 GMT 16 Apr 94)

### **Haikou**

#### **Intermediate People's Court Sentences Seven, Executes Three Criminals**

The Haikou Intermediate People's Court held a public meeting on 4 April to pronounce judgment on seven criminals. Xu Changbing, Xu Shijun, and She Jiangtao were sentenced to death and deprived of political rights for life for kidnapping, blackmail, and murder; He Jiuxing and Wang Di were sentenced to death with a two-year reprieve and deprived of political rights for life for armed looting and injuring a caretaker; and Li Kun and Chen Qi were sentenced to 15 years and 10 years imprisonment and deprived of political rights for five and three years respectively, for looting. (Summary) (Haikou HAINAN RIBAO in Chinese 5 Apr 94 p 1)

**Jiangsu****Lianyungang Foreign Trade Entities Adulterate Fodder Exports**

In Jiangsu Province, the Lianyungang Import and Export Inspection Bureau and the port authorities have taken legal action against 31 foreign trade enterprises, storage companies, warehouses, and goods yards found guilty of adulterating fodder exports. On several occasions since the latter half of last year, these entities mixed sand or mud with export items such as animal feedcake, corn, and dried sweet potato. They also mixed their products with others which had not been examined by the inspection bureau or which had failed to pass examination. A goods yard put a considerable amount of sand into goods being loaded for export while in another case, over 60 percent of mud and sand was mixed into a batch of cottonseed cake weighing 60 tonne. A total of 17 businesses had their import and export licenses cancelled while 24 others were fined 316,000 yuan and a quantity of products was seized and destroyed by the bureau. (Summary) (Beijing Zhongguo Xinwen She in English 1323 GMT 19 Apr 94)

**Jiangxi****Nanchang Security Bureau Launches Campaign Against Criminals**

Nanchang City Public Security Bureau has achieved marked results in its special campaign against serious criminals. In a unified operation from 14 to 16 April the bureau arrested 412 criminals, of whom 38 were important escaped convicts; broke up 43 criminal gangs; and solved 669 cases. The current campaign is mainly targeted at major violent crime, criminal gangs, evil gangsters, drug trafficking, armed crimes, fraud, selling forged currency, prostitution, and patronizing prostitutes. (Summary) (Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 18 Apr 94)

**Qinghai****Provincial Security Organs Crack Down on Drug-Related Activities**

Since the beginning of the year, Qinghai public security organs have successfully cracked a number of drug-related criminal activities, including 11 serious and exceptionally serious trafficking cases. They have arrested 13 drug traffickers and seized nearly 0.9 kg of heroin and over 1 kg of opium. Last year, the authorities cracked 156 drug trafficking cases, of which 60 were serious, arrested 189 drug traffickers, and seized large amounts of drugs. These figures were higher than those in the previous two years. (Summary) (Xining Qinghai People's Radio Network in Mandarin 2300 GMT 28 Apr 94)

**Procuratorate Handles Major, Important Corruption Cases**

The Qinghai Provincial Procuratorate held a news briefing about handling a number of major and important corruption cases. In the first quarter of the year, the procuratorate received and handled 230 submissions concerning various types of economic crimes. Of this number, 34 were graft cases involving 35 people; six were for embezzlement of public funds involving six people; and 33 were major and important cases. Of the economic criminal cases placed on file for investigation and prosecution, nine major cases of embezzlement and bribe taking by cadres at section level and above involving 10,000 yuan each have been handled; 13 cadres were involved of whom two were departmental directors, two were deputy departmental directors, and six were section heads or senior. Cadres involved in the cases included a factory party committee secretary, and armed police unit's lieutenant colonel political commissar, and a departmental party committee deputy secretary. (Summary) (Xining Qinghai People's Radio Network in Mandarin 2300 GMT 20 Apr 94)

**Shanghai****Commercial Bureau Cracks First Motorbike Smuggling Case**

Shanghai cracked its first motorbike smuggling case and confiscated the smuggled motorbikes from the Shanghai Motor Products Trading Center. During an inspection of the sales of imported motorbikes last September, Shanghai's Jingan Industrial and Commercial Bureau found that there was something wrong in the papers for imported Yamaha and Suzuki brand motorbikes. After half a year of investigation, they discovered that the papers were forged and the departments concerned have sternly punished the illegal action by the Shanghai Motor Products Trading Center. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE 1240 GMT 21 Apr 94)

**Procuratorate Handles 300 Major Corruption Cases in First Quarter**

Shanghai's procuratorial organs cracked 357 corruption and bribery cases in the first quarter of this year, of which 292 were major cases, accounting for 81.7 percent of the total. In a real estate deal between Shanghai and Hong Kong, the director and deputy director of the Shanghai Meilian Real Estate Company accepted bribes of 300,000 and 400,000 yuan respectively. In the first quarter, the procuratorial organs placed 43 cases of corruption and bribery on file for investigation and prosecution, of which two were related to party and government organs, six to judicial departments, nine to law enforcement departments, and 26 to economic management departments. There were 39 cases of corruption and bribery in real estate, securities, futures, and other fields, of which 16 involved foreign-funded enterprises. (Summary) (Hong Kong TA KUNG PAO in Chinese 13 Apr 94 p 2)



### Tibet

#### Public Security Organs See Increase in Counterfeit Renminbi Cases

Tibet, the roof of the world, recently uncovered counterfeit renminbi in 100-yuan, 50-yuan, and 10-yuan notes. The Tibet public security organs discovered the trading of counterfeit renminbi in Lhasa, Zhedang Town in Shannan, and Zalang County and arrested a number of criminals involved. Last year the region uncovered 37 cases of counterfeit renminbi trading and confiscated 110,000 yuan in fake notes. Use of counterfeit money is tending to spread to the remote mountain areas. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0934 GMT 26 Apr 94)

#### Police Arrest Nepalese Drug Trafficker

Local police in Tibet arrested six people including a Nepalese for drug trafficking, seizing 393.9 grams of heroin. It is alleged that the Nepalese had imported the heroin from his own country and was selling it to Lhasa peddlers. They were caught red-handed by the police who had been working on the case for two weeks. (Summary) (Beijing CHINA DAILY in English 18 Apr 94 p 3)

### Science & Technology

#### Foreign Ministry 'Not Aware' of Planned Nuclear Test

HK0305092794 Hong Kong AFP in English 0845 GMT 3 May 94

[Text] Beijing, May 3 (AFP)—The Chinese Foreign Ministry said Tuesday it was "not aware" of any upcoming nuclear test by China, as announced by the Japanese Government. "China keeps the attitude of utmost restraint towards nuclear tests. The number of nuclear tests it has conducted has been quite limited," a ministry spokesman said. "I am not aware of any nuclear test in the near future."

Deputy Japanese Foreign Minister Kunihiko Saito on Monday said China would soon carry out a nuclear test, and called on Beijing to scrap the operation. A western expert in Beijing said "it would not be surprising" if there were a nuclear test in the near future, as China carries out such tests in the spring and the autumn for climatic reasons.

China's last nuclear explosion took place at the underground Lop Nor site, in the northwest of the country, on October 5. It was the 38th test—other counts put it as the 39th—carried out in the autonomous region of Xinjiang since 1964. Foreign experts said the test, with a yield of 70 to 80 kilotonnes, was apparently part of a miniaturisation programme aimed at developing a multiple-warhead missile.

The United States has carried out around 950 nuclear tests, Russia about 600, France 200 and Britain 60.

#### Jiang Zemin Encourages Scientists, Technicians

OW0305104794 Beijing XINHUA Domestic Service in Chinese 1105 GMT 18 Mar 94

[By reporters Zhu Youdi (2612 1635 2769) and Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 18 Mar (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee and president, and Li Peng, premier of the State Council, met this afternoon with representatives of the honorable winners of the State Natural Science Prize, State Invention Prize, State Scientific and Technological Progress Prize, and State Spark Plan Prize for 1993, at the Great Hall of the People. Jiang Zemin extended warm congratulations and paid high tributes to prize winners and to scientists and technicians working in various sectors across the nation. He urged the broad mass of scientists and technicians to sow the seeds of scientific progress across the country and contribute even more to the development of the economy and to social progress.

Jiang Zemin said Comrade Deng Xiaoping incisively proposed an important exposition that "science and technology are the primary productive forces." His exposition has developed Marxist theory on science and technology and played a great promotive role to China's science and technology work and to the entire economic construction. Those who are involved in science and technology work must persist in implementing the policy of "holding fast to one end and leaving the whole field open" as this policy has correctly solved the relationship between basic, applied, and development research.

Jiang Zemin pointed out that the great practice for reform and development requires being armed with correct theory and rich knowledge. All levels of leading comrades should study hard Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and information on a socialist market economy and on modern science and technology so as to constantly score new victories for China's socialist construction.

Present at the meeting with the prize-winning representatives and attending the prize-award meeting were Wen Jiabao, Lu Jiaxi, Li Peiyao, Song Jian, Chen Junsheng, Luo Gan, and others.

For those who are involved in science and technology, receiving a national scientific and technological prize has been viewed as a top honor. The entire evaluation and screening process to select the winning projects and winners for the 1993 national scientific and technological prizes has ended. Following a hectic evaluation and screening process, several thousand scientists, professors, and experts selected 781 outstanding scientific and technological results and 4,484 winners. A total of 52 scientific and technological results won State Natural Science Prizes; 441 won State Science and Technology



Progress Prizes; and 113 won State Spark Plan Prizes. The percentage of prize-winning trade and industry are as follows: 42.9 percent for industry, transportation; 16.8 percent for farming and animal husbandry; 6 percent for basic research; 9 percent for culture, education, and public health; 19.6 percent for national defense and public security; and 5.7 percent for other sectors. Incomplete statistics show that the accumulated economic benefits generated following the implementation of the prize-winning scientific results, many of them reaching the world's advanced level, top 21.3 billion yuan.

Zhu Lilan, executive vice minister of the State Science and Technology Commission, spoke at today's meeting. She said the party and government adopt the principle of using both spiritual and material incentives, with the emphasis on spiritual, to encourage scientific and technological personnel. This system has produced the desired effect of "not only encouraging an individual but also a lot of other people and of not only encouraging a particular project, but also many other projects." Through encouragement, we provide guidance on the direction of scientific and technological development to various levels of scientific and technological units; effectively help promote conversion of scientific and technological results to production; bring about close integration between science and economy; enhance the people's awareness of science and technology; strengthen the cohesive force among scientific and technological workers; spread patriotism, collectivism, and the spirit of work-dedication; and advance the cause of socialist spiritual civilization.

#### Private High-Tech Firms Plan More Modernization

HK2904084094 Beijing CHINA DAILY in English 29 Apr 94 p 1

[By Sun Shangwu: "Private and Collective Tech Firms Expand Role"]

[Text] The non-State high-tech firms in China have vowed to play a greater role in the country's modernization drive and the development of its market-oriented economy.

The pledge follows the central government's call to encourage all economic sectors to contribute more to China's development, while letting the public sector play a leading role.

Private and collectively-run science and technology firms have flourished as the country is switching from a planned economy to market-oriented reforms.

"They can respond quickly and flexibly to the market needs, said Wang Zhiguo, Executive Secretary General of the China Association for Science and Technology.

The wider the market opens, the more these firms can contribute to technological development "because they are intrinsically market-oriented," Wang pointed out

yesterday at an ongoing three-day meeting sponsored by the China Non-State Science and Technology Entrepreneurs Association.

These enterprises aim to introduce their research products to the market "as soon as possible," he added.

The practice of combining capital, talent, resources, equipment and technology in the non-State science firms is setting an example for science and technological development throughout the country, according to Wang.

These private and collectively-run enterprises are expected to attract more foreign capital and technology in the future, which will speed their technical progress and help them occupy the international market.

Most of the capital will support scientific research and the development of new products, the meeting was told.

The Stone Group, a well-known collectively-owned computer firm in Beijing, last year listed its shares in the Hong Kong stock market.

"This will not only help them accumulate development funds but will also help transform their business management," Wang told the meeting.

Another prominent non-State science firm, the Beida Fang Zheng Group, a leader in digital Chinese word-processing and typesetting systems, has seen its products widely accepted by Chinese publishers worldwide.

There are now 45,000 private and collectively-run science enterprises in China, employing a workforce of 1.2 million, Wang said.

The industrial and trade volume of these enterprises last year topped 50 billion yuan (\$5.7 billion). More than 100 of the firms own assets valued at more than 100 million yuan (\$11.5 million) each.

Most of these enterprises deal with technology-intensive industries including chemicals, telecommunication, computers, building materials, medicine and environmental protection technology.

#### Telecommunications Network Underway in Qingdao

OW2704171594 Beijing XINHUA in English 1513 GMT 27 Apr 94

[Text] Qingdao, April 27 (XINHUA)—A data telecommunications network today went into operation in Qingdao, a booming coastal city in east China's Shandong Province.

The network, called Digital Data Network (DDN), consists of three parts: a group exchange node system, a digital information processing system and optical fiber cables.

The first phase of the project has 19 nodes and 648 terminals, capable of covering the whole area of Qingdao.

When joined with the country's main public exchange system, it will provide telecommunications services to large and medium-sized cities throughout China.

And it will also offer international data telecommunications to and from 26 countries and regions around the world, including the United States, Japan, France and Germany.

#### 'Newsletter' on Satellite Observation Station

OW0305094694 Beijing XINHUA Domestic Service in Chinese 2115 GMT 23 Mar 94

["Newsletter" by XINHUA reporters Yang Jisheng (2799 4949 4939) and Zhang Jimin (1728 4949 3046): "Secret Green Light Sent to the Universe"]

[Excerpts] [passage omitted]

Out of curiosity, we reporters visited the place at night recently and took the liberty to knock on the door. After making clear what we had come for, Chen Xianjun, deputy head of the satellite observation station, received us warmly. This engineer said only those who visit at night will be impressed by the observation station. Due to technical reasons, the station only conducts observations at night and does not turn on the instrument in the day time.

Deputy head Chen led us to the monitoring room, which is equipped with all kinds of electronic instruments. The red signal light kept twinkling and the telecommunications sign sounded clearly and melodiously. Signs and figures moved up and down on the computer screens.

Deputy head Chen told us the so-called satellite tracking is to measure the distance between the satellite and Earth at all times. To be more specific, it is to measure the distance between the satellite and the observation spot at all times.

We asked: "How many satellites can the station track?"

He hit several keys on the computer keyboard and the screen showed the directory of observed satellites and times they were close to the sky over the observation station. There are nine satellites: the U.S. Geodesic Satellite, the Japan Violet Satellite, the European Remote Sensing Satellite No. 1, the French Maritime Hydrographic Satellite, and so on.

[passage omitted]

Although the principles are very simple, it is very difficult in operation. The furthestmost satellite is some 20,000 km from the Earth and is rotating continuously. To ensure the error of measurement does not exceed 4 cm, we should utilize modern science and technology to guarantee the speed. For example, the velocity of light is

300,000 km per second in the physics textbooks; however, here we use an even more accurate speed: 29.9292458 km per second. As for time, one second passes in a twinkle; however, here 10.000000000001 [as published] second, the unit of time, can be accurately counted. Deputy head Chen said proudly most of the instruments ranging from laser devices to precision measuring instruments are produced in China. The turning on of the laser device, sending and receiving the laser beam, as well as data recording and processing are operated by all kinds of instruments in the monitoring room. They are operated automatically by computers by programs designed previously. [passage omitted]

"We heard that a foreign laser weapon is used to hit aircraft. Can a laser sent from the station penetrate the human body?" we asked.

"It would be OK if a laser strikes any part of the human body, except the eyes. Once the eyes are stricken, serious burns will cause blindness. [passage omitted]"

Speaking of satellite ranging, engineer Chen was extremely excited. His words brought us to a remote space. He said: "The precision of laser ranging is pretty high. Its error is at the cm level. Think about this, the average value of global sea level obtained with such precision is very precious data. Now it is said that the global weather is getting warmer and less snow falls than melts in the Antarctic Pole; if it causes the raising of the sea level, a rather reliable numerical value can be obtained at the satellite observation station. In addition, the India massif moving northwards not only raises Mount Qomolangma, but also moves the Qinghai-Tibet Plateau northwards close to Tian Shan. A massif's moving rate can be obtained through satellite ranging. [passage omitted]"

Now through satellite ranging, it is known that Shanghai is moving 2 cm toward Japan annually. Of course, satellite ranging is not limited to this application. We cannot calculate the satellite orbital angle or establish the zero-level global network without it."

It is learned from the satellite observation station that, as far as such global data is concerned, it is not sufficient to rely only on the station in Beijing and the other three stations in Shanghai, Wuhan, and Changchun. Close cooperation among relevant scientists in the international community is needed. This is a global industry. There are some 40 satellite ranging stations in operation in the world, sending data obtained to the international satellite ranging data analyzing and processing center in the United States. Data will be provided to scientists and technicians worldwide after being processed. As engineer Chen summarized: "Utilize satellite and laser technology to conduct experiments on Earth on which we depend for existence, so that we can give an early warning as soon as we find an abnormal state unfavorable for the existence of human beings." [passage omitted]



Do you want to find the station's location? The green light is sent to the universe from 39 degrees 36 minutes 22.3 seconds north latitude and 115 degrees 53 minutes 36.87 seconds east longitude.

### Military

#### Zhang Zhen Reviews Troops in Northern Jiangsu

OW0205151494 Beijing XINHUA in English 1436  
GMT 2 May 94

[Text] Nanjing, May 2 (XINHUA)—Zhang Zhen, vice-chairman of the Chinese Central Military Commission, recently called on all soldiers and officers to carry forward the fine traditions of the Chinese Armed Forces and firmly march down the road of building socialism with Chinese characteristics.

He also demanded that units of the People's Liberation Army (PLA) be further revolutionized, modernized and regularized so as to make new contributions to maintaining national defense and the country's socialist system.

Zhang Zhen made these remarks during his review of troops stationed in the northern part of Jiangsu Province, east China, which began on April 22 and ended today.

He said the fine traditions of the Chinese Armed Forces include the absolute leadership of the Chinese Communist Party, serving the people wholeheartedly, the powerful ideological and political work, strict rules of discipline, political, economic and military democracy at the company level, and the unity between the Armed Forces and the government and between the Armed Forces and the people.

Zhang urged officers at all levels to take the lead in carrying forward the PLA's fine traditions, to pass on the cherished heritage of the people's Armed Forces from generation to generation.

He particularly asked the soldiers and officers to carry forward the PLA's style of working hard and arduously in the present new circumstances. He pointed out that although the economy has been developed and the living standards raised, the tradition of hard work cannot be cast away. Building socialism with Chinese characteristics requires arduous efforts of generations of the people. Even after the country becomes strong and the people become rich, the spirit of working hard and arduously is still needed, Zhang stressed.

During his stay in northern Jiangsu, Zhang made surveys of grassroots troops, military schools, logistics departments and some military subareas.

#### Army Logistics Work Meeting Emphasizes Ideology

HK2904084194 Beijing JIEFANGJUN BAO in Chinese  
31 Mar 94 p 1

[By reporter Zhou Tao (0719 3447): "At Political Work Meeting Held by PLA General Logistics Department, Director Fu Quanyou Stresses Need To Strengthen Ideological and Political Work"]

[Text] Beijing, 30 Mar (JIEFANGJUN BAO)—The ideological and political work on the logistics front must be closely linked with professional work in all aspects with the aims of providing "effective guarantees and support," fully arousing the initiative and creativity of all quarters, and ensuring the smooth fulfillment of the Army's tasks. This point was stressed by Fu Quanyou, member of the Central Military Commission and director of the General Logistics Department, at today's political work meeting of the General Logistics Department.

Fu Quanyou pointed out: The in-depth development of reform and opening requires us to do ideological and political work more effectively; improve education in socialism, patriotism, revolutionary heroism, and fine tradition; strive to enhance the ideological and moral quality of the troops; and to guide officers and servicemen to establish a correct outlook on life and a set of correct values.

Fu Quanyou stressed: Arming the minds of officers and men with Deng Xiaoping's theory on building socialism with Chinese characteristics, and unifying the thinking and action of the troops according to this theory, is the primary task in our present ideological and political work. At all times and in all circumstances, we must guarantee that the troops will resolutely obey the orders of the party Central Committee and the Central Military Commission, with Comrade Jiang Zemin as the core, and must effectively guarantee the smooth implementation of the political and military orders. For the General Logistics Department, the results of the ideological and political work should find expression in the fulfillment of all professional tasks, especially in the enhancement of the support capacity and combat effectiveness of the troops. It is necessary to seriously implement the military strategical principles for the new period, actively converge with the market economy, deepen reforms in the logistics work of the armed forces, and strive to enhance the overall level of the logistics work. The troops should be prompted, through ideological education, to carry forward the five types of revolutionary spirit advocated by Comrade Deng Xiaoping and the "64-character" pioneering spirit set out by Comrade Jiang Zemin. More effective work should be done to improve the party style and to keep the troops incorruptible. In particular, people responsible for managing money and materials must be kept under effective supervision. Cadres, especially leading cadres at all levels, should be prompted through ideological education to



maintain the style of hard work, to take pride in working honestly and incorruptibly, not to seek personal gain and fame, to live plainly and work diligently, and to make selfless dedications. At the same meeting, Zhou Keyu, political commissar of the General Logistics Department, made a speech on striving for solid results in ideological education and on prompting political cadres to keep a good image. Wang Tailai, deputy director of the General Logistics Department, and Xu Sheng, deputy political commissar of the General Logistics Department, also attended the meeting.

#### Article on Consolidating Central Authority

HK2704055294 Beijing JIEFANGJUN BAO in Chinese  
30 Mar 94 p 3

[By Wang Jianwei (3769 1696 0251), deputy director of the Editing and Research Office of the Political Department of the Guangzhou Military Region: "It Is Necessary To Consolidate the Authority of the Central Leadership"]

[Text] In Volume 3 of *Selected Works of Deng Xiaoping*, Comrade Xiaoping repeatedly stressed the need to maintain and consolidate the authority of the central leadership. This is an important idea that Comrade Xiaoping has stressed many times in the process of leading reform and construction in our country, and is an important component of his theory on building socialism with Chinese characteristics. It is certainly of great immediate significance to study this concept of Comrade Xiaoping's in connection with the realities in our present reform, opening, and economic construction.

#### I.

Why is it necessary to stress the need of consolidating the authority of the central leadership while it is necessary to decontrol and enliven things in the course of developing the socialist market economy?

Consolidating the authority of the central leadership is a need in the development of the socialist market economy. Although the market can play an effective role in the distribution of resources, it is not a panacea and has its own weaknesses and deficiencies. For example, it is hardly possible for the market to completely guarantee the balance between gross demand and gross supply in society, and this may cause periodic fluctuations in economic development; it is hard to maintain a reasonable order of competition within a short period of time; it can hardly solve the issues of infrastructural construction and environmental protection required by economic development; and it can hardly ensure fairness in the distribution of resources and wealth. The settlement of all these issues requires the government's necessary macrocontrol and management over market activities. Macrocontrol is, in essence, central control. Therefore, the authority of the central leadership must be consolidated.

Consolidating the authority of the central leadership is a need in reform, opening, and economic invigoration. In view of the fact that some people were keen to adopt their own countermeasures against the policies laid down by the upper authorities in the course of reform and opening up, Comrade Deng Xiaoping seriously pointed out: "In order to make reform a success, we must carry it out in an orderly way under unified leadership. Otherwise, there will be disorder everywhere, and people will just go their own way. How could reform be successful under such circumstances?" He also said: "We must fix a principle. That is, reform should be carried out in depth under the unified leadership of the central authorities." China is a large country. Reform in such a large country will inevitably lead to the adjustment of interest relations in various aspects. At the same time, China is a developing country, and is facing such problems as an ill-coordinated production structure and an undergrown market, so we will inevitably encounter various difficulties when carrying out reform and establishing the socialist market economic structure if "the party Central Committee and the State Council lose their authority and cannot control the situation." In practice, our reform's successes were attributed to the fact that reform was carried out in an orderly way under unified leadership. According to different conditions, major reform measures were adopted after corresponding backup measures were ready in some cases, or after pilot schemes were carried out and successful experience was gained in other cases. This prevented a shock to society. For example, without the leadership of the party central body and the State Council and without the authority of the party central body and the State Council, the macrocontrol in 1993 would not have achieved the expected results.

Consolidating the authority of the central leadership is a need in the correct handling of relations between localities and a need in accelerating our economic development. Ours is a large socialist country with vast territory, and local economic development is uneven. Reform and opening up enables the southeast coastal areas to give full play to their economic and geological advantages and to develop ahead of other areas, thus bringing along economic development in other localities. However, such uneven development is also directly related to the issue of local interests. In order to correctly handle such interest relations and settle such contradictions, there must be the authority of the central leading body. Comrade Xiaoping predicted this issue long ago, and pointed out that the early development of the coastal areas "will bring along better development in interior areas, and this is a matter concerning the overall situation. The interior localities should take the overall situation and overall interests into account. As development continues, the coastal areas will be required to make greater contributions to help the interior localities develop, and this is also an issue concerning the overall situation. At that moment, the coastal areas should also subject themselves to this overall interest. All this will not be possible if there is no central authority."

Consolidating the authority of the central leadership is a need in giving play to the superiority of the socialist system and tiding over difficulties. When mentioning the superiority of the socialist system, Comrade Deng Xiaoping always linked it with the authority of the central leadership. He pointed out: "As compared with capitalism, socialism's superiority is reflected in the fact that the whole country can be coordinated as a chess game and strength can be concentrated to guarantee key projects." Ours is a socialism with the means of production mainly in public ownership, and the people share the same fundamental interests. The party and the government can concentrate the strength of the whole nation to arrange key projects in the national economy according to the long-term fundamental interests of the entire people. In times of difficulty, the party and the government can mobilize the strength of all quarters to overcome and tide over difficulties. For an economically backward large country, all this is indispensable. In view of the fact that too many "local lords" went their own ways and this made it impossible to make or carry out decisions on important matters, Comrade Deng Xiaoping sharply pointed out: "Nobody is allowed to disobey the instructions of the central leadership and the State Council. In particular, in times of difficulty, without the authority of the central leadership and the State Council, it is impossible to solve problems. With such authority, great accomplishments can still be made in times of difficulty. The authority cannot be denied, and centralization should be effected if necessary; otherwise, at the very least, time may be wasted." This year, the CPC Central Committee and the State Council made sufficient preparations for the adoption of the new reform schemes. However, no reform scheme could be perfectly designed before it was put into practice, and the reform tasks remain arduous and complicated. In order to overcome the difficulties of structural reforms, the authority of the central leadership must be consolidated. This is an important guarantee for our efforts to further deepen reform and promote the establishment of the socialist market economic structure.

## II.

By stressing the need to consolidate the authority of the central leadership, we do not mean that we should use the previous methods. Comrade Deng Xiaoping pointed out long ago: "In the past, we just exercised management on the basis of poverty; now, things are different, and we are exercising macromanagement for the purpose of building a comparatively well-off society. We cannot continue to use the methods we used in the past when we were facing difficulties. Now the central authorities should issue instructions and wield power only on major issues and on issues concerning the general orientation." Here he explicitly pointed out the two different methods of consolidating central authority in the different periods.

The content of consolidating the central authority has changed. In the past, the government was both manager and direct investor. It had to control the overall scale and

structure of the economy, and also had to take care of microeconomic input and output. This caused a situation in which the government's functions were lumped together with those of enterprises, and enterprises did not have any decisionmaking powers. At present, the economic activities of enterprises are oriented to the market, and enterprises will become units operating independently on their own and bearing sole responsibility for their profits and losses. In such circumstances, the government's control over the market will only be found on "major issues and issues concerning the general orientation." That is, the government will just take care of the overall balance and the optimization of the overall structure. The microeconomic decisionmaking powers will be delegated to the enterprises, which will make decisions on their own according to market signals. At present, the central authorities have stressed the need to resolutely control the size of investment in fixed assets and to continue to stabilize and develop the rural economy. This is exactly the concrete expression of macrocontrol.

The method of exercising central authority has changed. In the past, the government laid down various targets to determine the scope of the enterprises' economic activities, and directly managed the enterprises' production, product marketing, and materials procurement, as well as the enterprises' personnel, material, and financial affairs. At present, the government mainly applies economic means, guiding enterprises with the market mechanism to bring their activities into line with the overall macroeconomic development targets. In the past, the government managed the economy according to the administrative powers of the departments and the local authorities, and arranged projects and distributed money and materials according to the plans. At present, the government mainly applied the economic and legal means to ensure the implementation of the development programs, to coordinate the interest relations of the market entities, to supervise market operation, and to provide necessary services for the market. Of course, the government can still use administrative power if necessary to interfere in economic activities. The reform measures of the fiscal, tax, and banking systems adopted this year showed that the CPC Central Committee and the State Council mainly applied economic means to exercise macrocontrol.

## III.

What should be done in order to consolidate the authority of the central leadership? Comrade Deng Xiaoping pointed out: "This should find expression in the effectiveness of the central instructions." To achieve this purpose, two points must be stressed:

**First, take overall interests into account.** To do this, we should first understand the overall interests. This year, the general guideline for the work of the whole party and the whole nation is: Grasp the opportunity, deepen reform, expand opening, promote development, and



maintain stability. The whole party must clearly understand this general guideline which represents the overall interests, consider and handle things according to this guideline, and bring things into line with the guideline. Second, we should understand the importance of safeguarding overall interests. Take this year's fiscal and tax reform as an example. If such reform is not carried out, the state's financial revenue will account for too small a percentage of the gross national product, and the government will have no sufficient financial capacity for performing its administrative functions and for making reasonable and effective redistribution of the limited resources among various localities. It is obvious that such a situation must not continue. Moreover, it is necessary to correctly handle the relationship between the partial interests and the overall interests and between the immediate interests and long-term interests. Some things may be feasible in certain localities, but they may not be acceptable to the overall interests; some things may not be desirable according to local interests, but they must be done according to the overall interests. So we must take the overall interests into account. At present, some local governments and some departments only care about their partial and immediate interests. They do not act in unison with the central authorities' macrocontrol. For example, as the scale of investment in fixed assets is too large, some comrades are still keen to start new projects and expand investment, and are still keen to vie with each other in rapid growth and in ostentation and extravagance, and some comrades recklessly issued shares and bonds without regard to the financial needs of the state's key construction projects. All this went against our current overall interests. All localities and departments must always take the overall interests into account, and must always make their partial and immediate interests subordinate to the overall and long-term interests of the whole nation.

Second, stress discipline. While resolutely carrying out the new reform measures adopted by the party central leadership and the State Council, it is also necessary to continue the resolute enforcement of the discipline laid down by the party central leadership and the State Council for macrocontrol. For example, the fiscal and taxation department should continue to resolutely carry out the regulations laid down by the State Council: Strictly control tax reductions, strictly control financial expenditures; stop bank overdrafts; and do not get involved in commercial credit business without the approval of the People's Bank of China. This year, the tasks of reform and development are arduous. As long as we can willingly safeguard and consolidate the authority of the central leadership, unify understanding and action under the leadership of the CPC Central Committee and the State Council, take the overall interests into account, and observe discipline, then we will certainly be able to maintain stability, promote development, and win the tough reform battle.

## Hong Kong 'Notables' Arrive in Guangzhou for Exhibition

### Military Unit Puts On Performance

OW0205132794 Beijing XINHUA Domestic Service in Chinese 1209 GMT 1 May 94

[By XINHUA correspondent Huang Qunwen (7806 5028 2429) and reporter Liu Jianxin (0491 1696 2450): "Feature: A Sharp Sword of South China and Shield of Peace—Hong Kong Notables Watch Military Show by a Guangzhou Military Region Unit"]

[Text] Guangzhou, 1 May (XINHUA)—The smoke of gunpowder filled the air as guns roared. Under the cover of tanks, troops from a reconnaissance squad launched a fierce attack on a high area guarded by the "enemy." Machineguns on the tanks spurted flames [as received], while mortars continually shelled positions afar. Before we knew it, brave soldiers who kept appearing and disappearing in the billowing smoke had planted an army flag on the "enemy's" position ... [ellipses as received] Hong Kong notables seated on the reviewing stand burst into applause.

Yesterday, 216 Hong Kong notables arrived for a visit to Guangzhou-based troops under the Guangzhou Military Region [GMR]. This morning, the Hong Kong compatriots went to the GMR firing range in Guangzhou's suburbs by car to watch a military show put on by a unit.

At 0930, Henry Fok Ying-tung, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; Lu Ping, director of the State Council Hong Kong and Macao Affairs Office; and Zhou Nan, director of the XINHUA NEWS AGENCY Hong Kong branch, reviewed Guangzhou-based unit in the company of GMR Political Commissar Shi Yuxiao amid powerful and majestic martial music.

"Its military spirit was shaped by strict discipline, its fame shakes the southern territory." This unit possesses triphibious capability for ground, sea, and air battles. Highly difficult and dangerous training programs, such as the 10,000-meter swim at sea, emergency maneuver across 1,000 km, field survivorship, and parachuting produced this "sharp sword of Lingnan [Guangdong and Guangxi]," which is well known throughout south China.

Two signal flares lifted into the air with a pop, raising the curtain for the military show. Four shooters shot down their targets to display 20 big red characters—"politically qualified, militarily skillful, functionally sound, observing strict discipline, providing powerful safeguards"—in front of the audience, winning a burst of warm applause. After that, the officers and men performed 10 programs, including "rapid mobile firing," "hand-to-hand combat," and "sub-squads seizing important positions behind enemy lines." Nine officers and men accurately shot the head, chest, and right and left legs of a "human body" at the first try. Mr. Henry



Fok Ying-tung, seated on the reviewing stand, picked up the microphone and said: "Will shooter No. 2 please shoot the left leg of human target No. 1?" As his voice died down, the rifle immediately fired and got the target's left leg. Lu Ping and then Zhou Nan also instructed in succession specific shooters to shoot specific spots and the targets were missed not even once.

"I have been to many countries and watched some military shows. Our Liberation Army's military skills and caliber are among the best." Before Mr. Li Jinwen [7812 6930 2429], a lawyer at a Hong Kong legal firm, could finish his words, his wife chipped in at his side: "These young men are all excellent in martial arts. It is really amazing that each one could skillfully handle eight or nine different kinds of weapons."

As the Hong Kong notables were praising the sharpshooters, a dozen or so fully armed soldiers wearing camouflage coats fired from the top right-hand side of the reviewing stand. All acted like tigers with wings and compelled admiration when they performed the program of "traction and traversing" [qian yin heng du 3677 1714 2897 3256].

Mine-laying with rockets pushed the show to its climax. Rockets shot into the sky one after another, making piercing whizzes. Like petals slipping from the hand of a fairy maiden, mines hanging on small parachutes showered on the ground and thick growth of grass, building a formidable defense line and creating a sea of death.

At 1100, the military show concluded amid applause and praises. Madam Zhang Yongzhen [1728 3057 3791], vice president of the Hong Kong Chinese Chamber of Commerce, told reporters with feeling: "I shed tears with joy after watching the soldiers' brilliant performance. The people's safety and well-being and the country's strength and prosperity are inseparable from the strong army of the people. I am proud that our country has such a powerful and civilized army."

On behalf of the visiting group of Hong Kong notables, Mr. Henry Fok Ying-tung presented the troops with a silver plate engraved with the characters "Steel Great Wall" and also wrote "Steel Great Wall" as his message in the visitors' book. The Hong Kong notables enthusiastically posed with the officers and men for photographs and shook hands with them in farewell.

#### Further on Visit

OW3004160394 Beijing XINHUA in English 1506  
GMT 30 Apr 94

[Text] Guangzhou, April 30 (XINHUA)—More than 110 Hong Kong compatriots today became the first group of its kind to visit an army unit of the Guangzhou Military Area Command stationed in Guangzhou City.

The 111 visitors are deputies to the Chinese National People's Congress (NPC), members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), members of the Preliminary

Working Committee of the Preparatory Committee of the Special Administrative Region of Hong Kong, and Hong Kong affairs advisers.

At a welcome ceremony held by the military area command, the visitors were briefed on the development of modernization scored by the military area command in China's reform and opening to the outside world.

Also speaking at the ceremony, Zhou Nan, director of XINHUA NEWS AGENCY Hong Kong branch, said the trip would help Hong Kong visitors know more about the People's Liberation Army and promote understanding and contacts between Hong Kong compatriots and the army.

Accompanied by Political Commissar Shi Yuxiao and other leaders of the military area command, the compatriots visited a reading room, a dining room and dormitories of a company and chatted with soldiers and officers there.

Many visitors praised the army as a "powerful and civilized" one and said that with such an army, they were fully confident in the peaceful reunification of China and the return of Hong Kong to the motherland.

Joining the visitors were Henry Fok Ying-tung, vice chairman of the National Committee of the CPPCC, and Lu Ping, director of Hong Kong and Macao Affairs Office of the State Council.

The Guangzhou Military Area Command gave a banquet and a theatrical program in honor of the visitors this evening.

#### Delegation Returns to Hong Kong

OW0105170894 Beijing XINHUA in English 1519  
GMT 1 May 94

[Text] Hong Kong, May 1 (XINHUA)—A group of Hong Kong residents arrived here tonight after a two-day visit to the barracks of a People's Liberation Army (PLA) unit in the Chinese mainland.

The visit was the first of its kind ever arranged for Hong Kong compatriots.

During their stay in Guangzhou, capital of south China's Guangdong Province, the delegation paid a visit to the headquarters of the Guangzhou Military Region, where they were warmly received by the region's top officers.

The 200-member-strong delegation, which mainly comprised public figures from various circles of Hong Kong, toured the barracks and watched a military performance in the northeastern suburbs of Guangzhou City. The well-trained soldiers of the PLA and their skills and colorful life in the barracks have deeply impressed the delegation. Many of the visitors believed that such tours could promote the communication and understanding between the PLA in the Chinese mainland and people in Hong Kong.

### Paper Views Visit

HK0105081494 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 1 May 94 p 2

[By Queenie Wang in Guangzhou]

[Text] A trip to learn more about the training methods of the People's Liberation Army in order to allay fears about Hong Kong's post-1997 garrison turned into a lecture in Communist Party history yesterday. Hong Kong affairs advisers saw nothing more than an army dormitory on the first day of their two-day visit to the People's Liberation Army (PLA) facilities in Guangzhou. A senior mainland official told the SUNDAY MORNING POST that the troops seen by the 111-strong delegation were not those that will be stationed in Hong Kong after 1997.

Hong Kong National People's Congress delegate Liu Yiu-chu said the trip was a waste of time, despite mainland media claims that many visitors had enjoyed the day. Senior PLA officers spent much of yesterday briefing the visitors on the history of the Red Army before World War II, Ms Liu said. "From the party's point of view this may be very important but this is not what we came here for," she said. They should have organised a modern exhibition for us. Preliminary Working Committee (PWC) social and security subgroup convenor Rita Fan Hsu Lai-tai branded as superficial the effort to show the PLA on the first day.

However, XINHUA (the NEWS CHINA NEWS AGENCY) had a different version of the impact. It reported that several visitors said that with such an army, they were fully confident of a peaceful return of Hong Kong to the mainland. Several PWC members called for further displays of the PLA at work, and asked that the Hong Kong people be allowed to see the army in action. Such displays could help people to understand the PLA and lessen any fear of the troops.

The delegation saw PLA soldiers from the elite Red One Company, officials said. XINHUA deputy director Zhang Junsheng insisted that the PLA had a good track record, despite its image being greatly undermined by its role in the 1989 crackdown on pro-democracy groups. Mr Zhang admitted there had been a recent case of PLA officers beating people in Shenzhen, but added: "This was only a specific case and was done by a minority group. If you extended this to a general picture, this is not good thinking."

Hong Kong media was refused permission to cover the PWC visit, but newly appointed Hong Kong affairs adviser, Anthony Cheung Bing-leung, said it had contained "nothing sensitive" and should have been opened for media coverage.

### Guangdong Military Region Meets To Mark Anniversary

#### Hails 'Steely 8th Company'

HK0205103194 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 27 Apr 94

[Text] This afternoon, Guangdong Military Region called a meeting to ceremoniously mark the 30th anniversary of the National Defense Ministry's naming of the Steely Eighth Company of the Nanhai Outpost. Participants included General Chi Haotian, member of the CPC Central Committee Political Bureau, state councillor, and defense minister; Xie Fei, member of the CPC Central Committee Political Bureau and secretary of the Guangdong provincial party committee; and Lieutenant General Zhou Ziyu, deputy director of the People's Liberation Army [PLA] General Political Department; as well as party, government, and military leaders in Guangzhou area.

At the meeting, inscriptions written by Jiang Zemin, chairman of the CPC Central Military Commission, and by Liu Huaqing and Zhang Zhen, vice chairmen of the CPC Central Military Commission, for the Steely Eighth Company, were read and demonstrated. Jiang Zemin's inscription read: Carry forward the style of the Steely Eighth Company to build a powerful and civilized army.

On behalf of the three PLA General Headquarters, Lieutenant General Zhou Ziyu presented a horizontal inscribed board to the Steely Eighth Company. Lieutenant General Wang Shen, deputy commander of the Guangzhou Military Region, read a general order of the Guangzhou Military Region citing the Steely Eighth Company of the Nanhai Outpost for meritorious service, first class.

At the meeting, General Chi Haotian called on the entire PLA to learn from the Steely Eighth Company.

In his speech, Xie Fei, member of the CPC Central Committee Political Bureau and secretary of the Guangdong provincial party committee, said: Both the PLA units and civilians must learn from the Steely Eighth Company to promote the building of socialist spiritual civilization, and to push forward reform, opening up, and modernization.

#### Chi Haotian Praises Group

HK0205103094 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 29 Apr 94

[Text] This afternoon, leaders of the Central Military Commission, the three general departments, the Guangzhou Military Region, the provincial military district, the Zhuhai Garrison Command, and the city of Zhuhai, such as Chi Haotian, Zhou Ziyu, Shi Yuxiao, Zhou Yushu, Gao Tianzheng, (Wen Yishu), (Liu Yanjie), Liang Guangda, and (Huang Fuqiang), inspected the Steely Eighth Company of the Nanhai Outpost, stationed



on (Hengxing) Island, and watched the report-back military exercises staged by the company's officers and men.

Defense Minister Chi Haotian, member of the Central Committee, highly praised the Steely Eighth Company for setting a brilliant example for the entire Army in serving at the South China Sea outpost persistently over the last decade. He encouraged the company's officers and men always to maintain the true color of the people's army so that the edge of that steel blade, the Steely Eighth Company, always will remain sharp. During the inspection, Chi Haotian expressed thanks again and again for the energetic support and concern in many aspects given to the troops over the years by the Zhuhai City CPC Committee and Government.

### Commentator Hails Outpost

HK2704093294 Beijing RENMIN RIBAO in Chinese  
25 Apr 94 p 1

[Commentator's article: "Bring Up New Hands With a Firm Faith"]

[Text] It has been 30 years since the Defense Ministry named the "Steely Eighth Company of the Nanhai Outpost." Thirty years have passed, things have changed, and so have generations of officers and men, but the "Steely Eighth Company" has always retained a steel-like style and discipline. During the period of reform and opening up, in particular, their spirit of arduously pioneering a cause and of being self-sacrificing, as well as their might, indomitable spirit, and unstained character make them an even brighter and more eye-catching banner of our Army. With what was that good steel—the Steely Eighth Company—tempered? It was tempered with a firm faith: the communist faith. This is a valuable experience worthy of serious study by all walks of life in the great practice of building socialism with Chinese characteristics.

"Having a firm faith" is a principle to which our party always adheres in the course of party building. It is also a principle by which the Army should build itself. During the extremely formidable revolutionary struggle, it enabled our party and Army to have an indomitable spirit and strict discipline, and it united the people to triumph over innumerable difficulties and dangers. Comrade Deng Xiaoping summed it up, saying: "In our arduous struggle over the past decades, we have relied on a firm faith to unite the people to struggle for their own interests. Without such a faith, there would have been no rallying force. Without such a faith, there would have been nothing."

"A firm faith" is still the soul of the party and the Army during the booming period of reform and opening up. Only by having a firm faith can our party and Army retain their inherent qualities, carry forward the glorious tradition of arduous struggle, and unite the people for the realization of the "four modernizations."

It is the most basic requirement for the new "four have's" people to "have a firm faith." Comrade Deng Xiaoping said: "By saying that the factor of mankind is important, we do not mean ordinary men, but those who have a firm faith, are aware of the people's interests, and struggle for them." Today, reform has already entered the stage where key problems are being tackled, and interest relationships have been readjusted considerably. At this critical moment, we demand all the more that large numbers of officers and men like the "Steely Eighth Company" have a firm faith in their hearts, be willing to make selfless sacrifices, and act as a guide to society regarding the outlook one should have on tribulation, happiness, and values.

At the present stage, as far as the broad masses are concerned, fostering a firm communist faith is a question of vigorously promoting and strengthening education. For Communist Party members and the officers and men of the People's Army, however, it is a question of discipline. This is determined by the nature, aim, and tasks of our party and Army. They must keep the communist faith in mind at all times, and must encourage and spur themselves on to have a deeper understanding of the people's interests. The reason the "Steely Eighth Company" can staunchly pioneer a cause in the face of difficulties and adversities, can remain untempted in the face of money worship and hedonism, and can be willing to stand guard duty for foreign-invested enterprises, is that they realize they are the servicemen of the people, and the builders of the communist abode. Therefore, they consider it a steely discipline to arduously pioneer a cause and to be self-sacrificing.

In order to foster new hands with a firm faith, it is necessary first to educate young people, including young officers and men, with lofty ideals and a sense of discipline. For one thing, they are a main force in the modernization drive and are the hope of achieving our goals down the centuries. If they have no faith, no ideals, and no discipline, it will be difficult for them to take up heavy responsibilities, and it also will be impossible for use to achieve socialist modernization. On the other hand, the money worship, hedonism, and ultra-individualism existing in society always have young people as the main object of their seduction. If we do not stress ideals and discipline, corrupt and decadent things will seize the opportunity to take over and probably will interfere greatly with the pace of our advance.

Education in faith and ideals is an advantage in our party's ideological and political work. Our Army has a wealth of experience in this respect, such as "education illustrated with history" and "passing on experience, giving help, and setting an example to new hands." They are not only clear-cut systems, but are also vivid and dramatic. The practice of the "Steely Eighth Company" shows that as long as we activate our minds, the form of education in faith and ideals will be rich and colorful, meaningful and wonderful scenes can be seen everywhere throughout the Army and the country, and heroic

achievements during the new period and the experiences of ideological and political work will be carried forward to a great extent and will blossom everywhere.

#### **Nanjing Military Official on Underground Air Defense**

*OW0205131994 Shanghai People's Radio Network in Mandarin 2300 GMT 31 Mar 94*

[From the "990 Morning News" program]

[Text] Listeners, Lieutenant General Gu Hui, commander of the Nanjing Military Region and chairman of the People's Air Defense Committee of the region, emphasized at the regional people's air defense work conference—which closed yesterday—that the work on people's air defense should be enhanced to a new level to better meet requirements of the socialist market economy and partial wars under conditions of modern high technology. The following is a report filed by station reporter (Yao Shukun) from the meeting place yesterday.

[Begin recording] [Yao] Concentrated population, congested buildings, heavy traffic, limited land, and environmental pollution are problems that have become more and more conspicuous in urban modernization construction. What will we do with an international, large city like Shanghai, where the highest population density has exceeded 160,000 people per sq km, with a mere 2 sq-meter per capita road space, which is one-fourteenth and one-fifth of that of London and Tokyo? Lt. Gen. Gu Hui said going underground would be an effective way out.

[Gu] In light of the development of China's urban modernization construction, developing and utilizing underground space also has become an inevitable trend. Based on the principle of dual use for peace and war time, upgrading and constructing people's air defense works and shifting certain ground facilities underground are important features in developing and utilizing underground space.

[Yao] It has been learned that people's air defense projects that have been developed by and put into use in Shanghai—including warehouses, workshops, markets, hospitals, hotels, activity rooms, and cultural and entertainment centers—have saved the use of city land, activated the market economy, facilitated the people's work and lives, and initially demonstrated the fine prospects of opening up underground space. Lt. Gen. Gu Hui pointed out that the construction of people's air defense should be enhanced to a new level.

[Gu] Time has proved that investment in the people's air defense construction is not an unworthy consumption; the efficiencies and benefits it generates and the wealth it created for the state have far exceeded its input. Hence, we, the leadership at various levels, including comrades engaged in people's air defense work, should fully understand its value and strengthen propaganda education for all sectors of society to seek all-level consensus—a bid to

create a fine social opinion and environment to guarantee continuance of the people's air defense construction for a long time. [end recording]

#### **Economic & Agricultural**

#### **Zhu Rongji on Grain Purchasing, Selling Mechanism**

*OW0205151994 Beijing XINHUA in English 1408 GMT 2 May 94*

[Text] Hangzhou, May 2 (XINHUA)—A rational grain price is the core for the establishment of a grain purchasing and selling mechanism compatible with a socialist market economy, said Chinese Vice-Premier Zhu Rongji.

Zhu, also a member of the Standing Committee of the Communist Party's Politburo, made the remark during an inspection of the agricultural situation in east China's Zhejiang Province from April 26 to May 2.

The vice-premier further explained that this grain price not only can help bring into full play the initiative of farmers in growing grain, but also can help lessen the difference between industrial products and farm produce, and urban residents can also bear it.

Judging from the overall national economic situation, Zhu said, it is quite necessary for coastal areas to promote agricultural production, and there are bright prospects for doing so.

During his inspection tour in Zhejiang, Zhu inspected grain purchasing centers, grain depots, grain shops, farmers' markets and the Grand Dike of Taihu Lake in the Hangjiahu area, visited several successful households specializing in growing grain, and listened to work reports of local officials, obtaining first-hand information about agricultural production, especially about the grain production situation and grain purchasing and selling system.

The vice-premier also toured factories to see workers who were on duty on May 1—usually a day of leave—and chatted with some factory leaders.

Since Zhejiang province is one of China's important grain producers, especially the key grain production center of Hangjiahu plain, so grain production here can never be slackened, said Zhu.

"From the perspective of China's land resources, total grain output and foreign exchange balance, the coastal areas should never neglect agriculture after they become economically prosperous. They cannot become dependent for food supplies on grain purchased at high prices from inland areas or on grain imports," he said.

Active efforts should be made to probe into methods for carrying out agricultural management on a fairly large scale, said the vice-premier, expressing the belief that depending only on raising grain prices could hardly solve



the problem of comparatively lower efficiency which grain growers face in these areas.

He spoke highly of Zhejiang Province's practices in helping local specialized grain production households in their contracted management. The vice-premier visited several such households, each managing 10 hectares or more farmland and earning more than those working in the local township enterprises.

He stressed that encouraging households to carry out grain production by contracting large stretches of farmland and developing agricultural management on a fairly large scale is in accordance with the household responsibility system and has proved to be quite effective. Therefore, it should be persisted in for a long term, he said.

However, concentrating land use rights in the hands of large grain growing households should be conducted on a voluntary basis, said Zhu, while urging the vigorous development of socialized services for agricultural production and giving aid to such households in the forms of agricultural machinery, pesticides, seeds, technology and loans.

The vice-premier focused his tour on the inspection of the grain purchasing and selling system.

He stressed that reasonable grain prices should be based on the supply and demand in the market but the market should be under the supervision of the government. He also stressed that state-owned grain departments should keep necessary grain so as to play the role of balancing grain prices.

"Governments at various levels should adopt flexible measures to exercise management and control over the grain market, in a bid to maintain a basic stability of grain prices at the market," he said.

He said that grain deals and allocation between different regions should be conducted through market under government control. Unqualified wholesalers must not be allowed to enter the villages and fields to force up grain prices, he added.

The vice-premier also urged the arrangement of enough funds to ensure a smooth purchase of farm produce in the upcoming summer harvest.

Talking about the shortage of circulating funds many industrial enterprises now face, Zhu said that the State Council had made some adjustment of credit policies concerning circulating funds of industrial enterprises so as to alleviate the difficulty of some state-owned enterprises and promote the transformation of enterprise management mechanisms in these enterprises.

He believed that the problem of fund shortages would gradually be alleviated through concerted efforts of governments at various levels and enterprises themselves.

### Equipment Leasing Market for Three Gorges Dam Project Planned

OW0205141194 Beijing XINHUA in English 1344  
GMT 2 May 94

[Text] Yichang, May 2 (XINHUA)—An equipment leasing market will be built for the construction of a gigantic water conservancy project at the Three Gorges on the middle reaches of the Chang Jiang river.

Yuan Guolin, deputy general manager of the China Chang Jiang River Three Gorges Development Corporation, said that his company, which is in charge of building the dam, welcomes large domestic and foreign equipment manufacturers to come to establish an equipment leasing market at the dam construction site.

The dam which is designed 185 meters high and nearly 2 km long will take 17 years to finish. When completed, the hydroelectric plant will have a generating capacity of 17,800 megawatts. At present, preparations for the project has entered its peak time of digging, giving rise to great demands for large construction equipment and machinery.

As public bidding has been adopted in the construction of different sections of the entire project, the deputy manager explained, many contractors of different sections of the project do not have enough fund to buy the whole set of equipment needed in the actual building.

"If they can afford to buy all the construction equipment needed, it still would eventually lay idle after completion of the contracted section," said the deputy general manager, adding that construction speed would also be greatly affected by the period to import equipment after winners of a bid are decided.

The deputy general manager said that his company would adopt preferential measures to lure domestic and overseas equipment manufacturers to lease their products at the Three Gorges area, while continuing to import some large equipment to lease to companies which have contracted construction of sections of the project.

According to him, the China Chang Jiang River Three Gorges Development Corporation has already bought large construction equipment and machinery worth 200 million yuan and has leased them to companies which need the machinery for construction.

### Foreign-Funded Enterprises Benefit From BOC Loans

OW0305084494 Beijing XINHUA in English 0627  
GMT 3 May 94

[Text] Xian, May 3 (XINHUA)—The Xian branch of the Bank of China (BOC) has provided 4.5 billion yuan in loans to foreign-funded enterprises since 1990, which has brought about 678 million U.S. dollars in foreign trade volume.

According to an official of the branch bank, the bank has also provided 210 million yuan in loans and various financial services to Xian-based enterprises. They include trust and investment, securities and credit card services.

The branch, which was established only five years ago, has opened accounts for 70 percent of the local Sino-foreign joint ventures

The Xian Xigu Optical Fiber Co. Ltd, a Sino-Japanese joint venture, is one such enterprise. It was established with the help of 26 million yuan and 500,000 U.S. dollars in loans from the branch bank. The company earned 37 million yuan in profits from domestic sales and over one million U.S. dollars from exports in the first year of its formal operation.

Another two Sino-foreign joint ventures set up by the Xian printing plant have become major profit-makers in this capital of northwest China's Shanxi Province, with the support of loans from the local BOC branch.

**Hong Kong, Taiwan Leading Investors in China**  
*HK0105055394 Beijing ZHONGGUO XINWEN SHE  
in English 1307 GMT 26 Apr 94*

[Text] Beijing, April 26 (CNS)—Statistics collected from economic and trade departments in China show that investment made by Hong Kong, Taiwan and overseas groups and companies in the Mainland has tended to increase with a rise in foreign investment in the country during the first quarter of this year.

Tianjin Municipality saw foreign investment valued at US\$120 million in place in the first quarter of this year or 120 percent up over the same period last year while Guangzhou Municipality registered foreign capital valued at US\$489 million or 80.8 percent. Foreign investment in Beijing, Shanghai and Fuzhou showed various gains.

Foreign investment tended to have an increasing share in newly approved joint-ventured enterprises and items while some consortia and leading companies tried to have a more-than-50-percent share in their investment in enterprises and items in a bid to grab the decision-making or dominant power.

Solely foreign-funded enterprises, meanwhile, are increasing with 85 out of 194 foreign-funded enterprises newly registered last month in Shenzhen being of such kind.

There were 637 foreign-funded enterprises newly approved between last January and March in Beijing and 554 such enterprises in Tianjin, with each city having pledged foreign investment of over US\$1 billion. The utilization of contracted foreign capital indicated a gain with US\$1.945 billion in Shanghai and US\$3.384 billion in Guangzhou.

Tertiary industry has become a popular sector for foreign investment with a rebound in investment in real estate. There were 161 items of tertiary industry invested by foreign businessmen in Shanghai during the first quarter of this year. The pledged foreign capital introduced for these items was put at over US\$1 billion, making up 60 percent of the gross foreign capital.

Tianjin saw 35 foreign-related real estate items signed during the first quarter with pledged investment valued at US\$170 million. Some overseas groups including the Hong Kong Lai Sun Group entered the real estate market in Shanghai while the Beijing branch of L & D Limited was very busy with real estate items.

As small- and medium-sized items tended to integrate into one another, the number of main consortia, items invested and the value involved in investment were both on the rise. Some 11 internationally known companies including the McDonald's Restaurants of the United States and Sony of Japan made investment in Shanghai while some 30 multinational companies such as General Motors of U.S., the ABC company of Switzerland and Siemens Ag. of Germany are now holding negotiations on items for investment or on the establishment of headquarters in China.

In Guangzhou there are consortia and companies from 19 countries and regions competing with one another for investment. Contracted foreign investment signed with seven countries and regions including Hong Kong, Taiwan, Macao and the United States was valued at over US\$20 million on average. By the end of last March, ten out of 42 top wealthy ethnic Chinese figures around the world who have invested in Fuzhou, Shanghai, Hong Kong and Russia joined forces recently to set up a military-turned-civil high technology industry base in Pudong New Zone.

There are to date some 5,000 branches of Hong Kong, Taiwan and overseas companies and groups set up in Beijing and high grade office buildings are in great demand for foreign investors. Branches of Hong Kong companies running in Guangzhou no longer dominate the municipality while the United States and Japan and Germany are setting up branches there at a rapid pace.

Foreign investors tended to make use of their profits for reinvestment into their invested items while some of them have even increased their investment to a great extent. Tianjin saw 26 foreign-funded enterprises have their investment rise by US\$77.05 million during the first quarter of this year.

Medium- and long-term investment is growing with an eye on long-term economic results instead of short-term investment.

Siemens, AG. is scheduled to set up 20 to 30 joint-ventured enterprises in the Mainland in the coming two years with total investment valued at US\$500 million. Yaohan of Japan plans to open 1,000 supermarkets by the year 2010 while New World of Hong Kong will make



investment totalling HK\$30 billion in the Mainland. A projection said that 1994 would be a boom year when foreign investment in the Mainland would grow more and more.

### Self-Financed Health Plan Replacing Old Co-Operative System

HK0305101894 Beijing CHINA DAILY in English 3 May 94 p 4

[By Cong Gong: "Self-Financed Health Plan Replaces Old Co-Operative"]

[Text] The medical co-operative system, predominant in rural China, has come under increasing strain as a result of a severe funding shortage.

And the situation is made worse by more and more cash-strapped doctors leaving the service.

However, the system—which still has the support of the majority of farmers—is now seeking to finance itself.

Rural authorities have been raising funds for the co-operative health care system using various sources including the State, institutions and individuals.

The practice is paying off in Shandong Province, according to a survey carried out by the Medical, Public Health and Sports Sub-commission of the Chinese People's Political Consultative Conference (CPPCC).

The rural medical co-operative system was initiated in the early 1950s. The service, staffed mainly by the "bare-foot doctors"—largely urban-educated youths sent for re-education in the countryside during the "cultural revolution" (1966-76)—helped to alleviate the shortage of medical workers in rural areas.

More than 90 percent of the rural production brigades adopted the medical co-operative system in the late 1970s.

But at the same time, the household contract responsibility system was being introduced to stimulate the rural economy—and the reforms that accompanied that system have turned out to be unexpectedly detrimental to the collectively run co-operative medical care system.

The central government's ban on 37 sources of revenue last March, aimed at reducing the financial burden on peasants, led to medical funds being held back.

The rural medical service, which received 21 percent of the nation's medical care budget in 1978, received only 10 percent in 1991.

In Shandong Province, for instance, some rural authorities have refused to fund their clinics.

Other parts of the country have found themselves in a similar predicament. Many of the collectively funded clinics in Qinggang County in Heilongjiang Province are now penniless.

The shortage of funds has thrown many rural medical services into crisis.

Only 5 percent of the nation's villages now are able to afford the medical co-operative service, according to a report in the Legal Daily.

The situation has been made worse by the exodus of rural doctors. Two-thirds of the rural doctors in Qinggang County want to leave the co-operatives and set up private clinics, the survey found.

As a result of the disintegration of the co-operative system, the peasants are suffering. Once-rich farmers have become impoverished when they have to pay by themselves for an operation or medical treatment.

The Medical, Public Health and Sports Sub-commission has recommended that the village-level clinics be funded by rural collectives. And qualified doctors should be encouraged to sign contracts with clinics, said the survey.

To help the peasants, some areas in Shandong Province—such as Weifang, Zhaoyuan, Changqing, and Anqiu—are trying to set up a new type of co-operative medical system.

More than 85 percent of the townships in the province are raising funds from villages and individual farmers to set up and run medical foundations.

Individuals are required to pay between 2 and 10 yuan to join the foundation. Those who join get a 30 to 50 percent discount for their medical care.

### Report Views Country's Earnings From Tourism

OW0305110994 Beijing XINHUA in English 0906 GMT 3 May 94

[Text] Beijing, May 3 (XINHUA)—The average annual increase rate of overseas tourists visiting China reached a record 13 percent between 1985 and 1993, the highest in the world.

This figure is included in the latest statistics compiled by the World Tourism Organization.

With the quickening of China's drive of reform and opening to the outside world in recent years, China's tourism industry has become an important component of world tourism, said Yang Liuyin, a leading official with the State Administration of Tourism.

A total of 41.53 million overseas tourists visited China in 1993 alone, up 8.9 percent over the previous year; the foreign exchange earnings gained from tourism reached 4.67 billion U.S. dollars, a hike of 18.3 percent over the 1992 figure.

Yang said that China has absorbed a stable source of tourists from the United States, Japan, Germany, France, Singapore, Hong Kong and Macao since last year.

Besides, big breakthroughs have been made in luring tourists from the Republic of Korea and other parts of the world.

According to official statistics, a total of 200,000 ROK tourists visited the Chinese mainland in 1993, most of them were on commercial tours.

The ROK tourism authorities expected the number to reach 500,000 this year, as the ROK Government had annulled in April all relevant restrictions hindering ROK citizens from touring China.

Other statistics show that the Chinese mainland is now the best choice for Taiwan visitors. A record total of 1.4 million Taiwan residents visited the mainland last year, up 8 percent over the previous year. More and more Taiwan residents have diverted from the single purpose of visiting relatives to many other fields of activities such as commercial, cultural and academic exchanges.

The booming industry of tourism has greatly invigorated the national economy as a whole and provided job opportunities for over a million people every year, according to the official.

Moreover, the industry boosted vigorous development in the fields of construction, telecommunications, commerce, finance, transport and cultural exchanges.

#### **Report Warns Against Effects of 'Economic Overheating'**

HK0305111294 Hong Kong SOUTH CHINA  
MORNING POST in English 3 May 94 p 10

[By Chris Yeung]

[Text] A government report has warned that the central authorities may have to use drastic measures to curb runaway inflation if economic overheating is not stopped.

The report, on the economic outlook for the rest of the year, warned if strong retrenchment measures were adopted, the country's momentum of growth would be thrown into chaos, leading to an economic "hard landing".

The Spring Quarterly Report was jointly compiled by economists at the Chinese Academy of Social Sciences and the State Statistics Bureau.

Under one scenario, it predicted some economic contradictions would remain unresolved. It said the Government would have to relax macrocontrol in the face of growing opposition from regions and enterprises. This would lead to a "hasty rebound" of the economy and the revival of inflation, it said. "Based on the situation in the past few months, the danger remains," the report said.

It stressed the need to seek a balance between economic growth and inflation. "We have to accept that a considerable level of price rises is inevitable in the course of

full-fledged reform. It is the price we have to pay. But on the other hand, we have to be on constant alert to keep the level of price increases to one that the public can bear. This will be conducive to creating conditions for reform and a relatively rapid pace of economic growth," the report said.

It said "opportunity and risk" would co-exist for the rest of 1994, stressing that failure to control investment and money-supply would be damaging.

The report said the fiscal system would remain stable if the issue of new currency was controlled within 160 billion yuan (HK\$142 billion [Hong Kong dollars]) and new loans did not exceed 550 billion yuan.

Fixed-asset investments would not get out of control if money supply targets were met.

"Even if we were able to have one or two more percentage points of economic growth, there would be negative impact if inflation surges to 20 percent. Ultimately, the economy will drop into a nadir. The process of economic reform will be severely jeopardised," it said.

China's economy would stay on a "positive cycle" if annual economic growth reached 10 percent, investment growth dropped to 20 percent and inflation was contained about 10 percent.

#### **Fair Opens for Economic, Military Aid to Foreign Countries**

SK0305084994 Jinan DAZHONG RIBAO in Chinese  
22 Apr 94 p 1

[Text] The 60th national fair for placing orders for machinery and electronic products aiding foreign countries opened in Jinan on the morning of 21 April. The fair is cosponsored by the Ministry of Foreign Trade and Economic Cooperation, Ministry of Domestic Trade, Ministry of the Machine-Building Industry, and the Ministry of the Electronics Industry. The Shandong International Economic and Technological Cooperation Company is in charge of the specifics.

The purpose of the fair is to fulfill relevant agreements signed by Chinese government and foreign countries and define the production and supply tasks concerning machinery and electronic products needed in the 1994 projects of economic aid and military aid to foreign countries, including the machinery and electronic products of various categories and their corresponding and auxiliary products produced by the Ministry of Machine-Building Industry, Ministry of Electronic Industry, and Ministry of Railways.

Ma Yimin, vice minister of domestic trade; Yang Wensheng, assistant minister of foreign trade and economic cooperation; and Song Fatang, standing committee member of the Shandong provincial party committee and vice governor of Shandong, attended the fair on 21 April.



### Guangzhou Commodity Fair Handles Trademark Violation Cases

HK0205124894 Beijing GUOJI SHANGBAO in Chinese  
27 Apr 94 p 1

[Report: "Guangzhou Commodity Fair Punishes 20 Enterprises for Violating Trademarks"]

[Text] The Guangzhou Commodity Fair Office for Professional Affairs made a decision not long ago to handle the trademark violation cases of 20 enterprises.

During the 75th Guangzhou Commodity Fair, it was verified by the Office for Professional Affairs that on the samples exhibited by 20 enterprises, including Shenzhen's Kaicheng Company, the registered trademarks of other enterprises were used without the permission of the owners of those trademarks, thus violating these trademarks, as well as the Rules for the Implementation of the Trademark Law and related regulations of the Guangzhou Commodity Fair. The Office for Professional Affairs studied the decision based on the Trademark Law and related regulations of the Commodity Fair, while taking into consideration of the actual conditions of the Commodity Fair, and punished those 20 companies that had violated others' trademarks according to their cases, with penalties ranging from circulating a notice of criticism, confiscating the exhibits with unauthorized trademarks, and removing them from exhibition, effective 26 April.

### Golmud Celebrates Qinghai-Tibet Railway's 10th Anniversary

OW0205040694 Beijing XINHUA in English 0251  
GMT 2 May 94

[Text] Golmud, May 2 (XINHUA)—A meeting was held here Sunday [1 May] to celebrate the 10th anniversary of the opening to traffic of the Qinghai-Tibet Railway, a railway line with the highest altitude in the world winding across the Qinghai-Tibet Plateau of China.

The first phase of the railway, starting from Xining, capital city of Qinghai Province, and ending at Golmud, a city of the same province where the railway meets the Qinghai-Tibet Highway, was completed and opened to traffic exactly ten years ago.

Linking the remote "roof of the world" with vast domestic areas, the 846.9-kilometer railway is truly a life artery of the Tibet Autonomous Region and Qinghai Province.

Most parts of the line pass through either freezing areas on high ice-capped mountains or harsh deserts that are frequently stricken by natural disasters.

Its construction has cost years of devotion and diligence by more than 10,000 young technicians and workers—and even their lives—as well as huge state investment.

Also thanks to the efforts and self-sacrifice of innumerable workers, the Qinghai-Tibet Railway has been well maintained during the ten-year period of operation.

Several advanced units and outstanding individuals were rewarded for their dedication at the meeting.

They were honored for their victory in a kind of struggle not only with adverse natural conditions but also with their inner selves, while working all year round in extremely desolate places along the railway line.

Their sweat and blood have been rewarded with vitality and hope brought about by the steel dragons moving on the line.

During the past decade, four million passengers and 15 million tons of cargo have been transported via the railway.

Difficulty in communication between Tibet and other parts of the country has been greatly relieved.

Local people suddenly find themselves among colorful products from all over the country, while veils over the mysterious land have also been lifted, with rich local mineral resources being exploited and more and more people riding the rails to visit or trade here.

### Harbin Airport To Be Expanded for Asian Winter Games

OW2704143794 Beijing XINHUA in English 0901  
GMT 27 Apr 94

[Text] Harbin, April 27 (XINHUA)—Expansion of Harbin Airport will soon be started to prepare for the 1996 Asian Winter Games, official sources here said.

Preliminary designs for the expansion had been completed and approved, the sources said. Other preparations are either finished or under way.

The present airport of the capital of northeast China's Heilongjiang Province started operating in 1979. As the number of tourists has risen drastically, the sources said, it could no longer meet all the needs, and the opening of new routes has had to be delayed.

The airport lounges are to be enlarged to 60,000 sq.m. [square meters]. The plans also include building 155,000 sq.m. of parking lots, a new air traffic control center and support facilities.

The remodelled airport will be able to handle 6.6 million tourists a year by the year 2005. Destinations will be increased from 38 to 53 cities, including 11 cities in Canada, the United States, Japan, the Republic of Korea, Russia and Hong Kong.

The 1.1-billion-yuan expansion work will be jointly financed by the central and local governments.

Major expansion work will be completed by February 1996, when the Asian Winter Games will be staged, the sources said.

#### Article Views Efforts To Prevent Trademark Violations

HK0305134794 Beijing GUOJI SHANGBAO in Chinese  
27 Apr 94 p 1

[Article by staff reporter Luo Jianlin (5012 1696 3829), and correspondent Meng Yuhong (1322 3768 4767): "Resolutely Check Violation of Trademarks"]

[Text] Trademark violation has had an unhealthy effect on the reputation of China's foreign trade. At recent sessions of the Guangzhou Commodities Fair, investigations and penalties on such behavior have become increasingly more serious. Some enterprises with comparatively serious cases of trademark violation have already been dealt with through the issuance of a critical circular. On the very day of its opening, the current Guangzhou Commodities Fair organized an examination of trademarks and found that cases of enterprises participating in the exhibition violating regulations and trademarks had been somewhat reduced compared with previous sessions. Various trade delegations have universally attached importance to trademark controls; for example, the Henan delegation has on several occasions independently conducted checks on enterprises under its jurisdiction on their implementation of the regulations on trademark control. Nevertheless, there were still 20 enterprises, including the Shenzhen Kaicheng Company, which violated the rules, while most trademark violations fell into the category of marketable goods for export, and some had a reputation in the world market. The fair promptly adopted measures and sternly and quickly handled the case of any enterprise as soon as it was discovered.

Viewing the situations of the 20 enterprises the current fair has handled, their cases varied as well as their attitudes. The goods of some units which violated trademarks were exhibited, but no transactions were involved; some units had already signed contracts for transaction, and the trademark violations had become facts; while the bulk of enterprises violating trademarks were comparatively active and sincere in admitting their mistakes. When it was verified that the Shenzhen Kaicheng Company had violated trademarks on 16 April, the company had all along delayed in giving a written explanation to the fair based on the relevant regulations, and displayed a very poor attitude: a heavy penalty was meted out, its qualification to participate in the commodities fair was canceled, and its exhibits were removed. The Guangxi Machinery Import and Export Company and the Xinjiang Zhongxin Industrial Company were known to have violated trademarks in previous sessions of the commodity fair, and during the current fair, they repeated their mistakes. It was learned that with regard to the commodities fair circular on checking trademarks and relevant regulations, the

Guangxi trade delegation office had already relayed them to the company manager; however, the manager had failed to relay them to his staffers. This showed that the company manager had not paid any attention to them. This being the case, when penalties were imposed on the two companies, the managers in charge were especially criticized in a circular. The China Shenzhen Foreign Trade (Group) Company was verified to have violated the "White Dove" trademark on its slippers, and its samples were confiscated; however, the responsible person on the stall refused to cooperate. In light of his attitude, it can be seen that the company knowingly violated trademarks but paid no attention to the relevant regulations on checking them. Thus, a stern penalty was imposed on the responsible person.

The current fair has done very specific and meticulous work on checking and handling trademark violations, while refraining from adopting a requirement for unanimity in everything, handling different cases according to their situation, and ensuring the smooth progress of the fair's export transactions, while firmly and promptly halting the violation of trademarks.

#### Price Controls on Electricity To Be Lifted

HK0305101494 Beijing CHINA DAILY in English 3  
May 94 p 4

[By Huang Zhiling: "Power Shortages Cramp Industry—Lift Lid on Electricity Prices To Generate Plant Investment"]

[Text] To ease the country's power shortage, plans are under way to lift price controls on electricity, introduce a shareholding system into the power industry and launch an energy conservation publicity campaign.

A rational pricing system will be set up in the next three years, said Shi Dazhen, Minister of Power Industry.

Letting electricity prices reflect market demand is regarded as the best way to attract overseas and domestic investment, he said.

And turning all State power firms into shareholding firms will generate investment, he added. Under the system, management and ownership are separate and the legal rights of investors and managers are protected.

In the next seven years, the industry needs \$25 billion to import generating units with a capacity of 45 million kilowatts, he said. Foreign loans and investment are being encouraged to fund the construction of power plants.

Investors stand to make a healthy profit, Shi said, adding that loans to the energy sector are a very safe investment.

China has been plagued by a power shortage since 1970. Electricity production consistently falls short of demand by 20 percent.



Despite the fact that China's installed power capacity ranks fourth in the world, per capita production is only 644 kilowatt-hours, two-fifths of the world average and 80th among all countries in the world.

Since the 1970s, factories, government offices and residential quarters in many cities have had to live with frequent power cuts. The shortage has grown even more acute since 1979, when the country embarked on its market-oriented economic reform.

All areas have had power problems except the Ningxia Hui Autonomous Region.

Beijing, for example, has had an electricity shortage since the early 1970s. In 1991, power was short by 400,000 kilowatt hours, in 1992, 493,000 kilowatt hours and last year, 683,000 kilowatt hours.

The East China Power Grid, the largest in the country, generated 9.87 percent more electricity in the first half of last year than over the same period in 1992. But due to increasing demand, it had to cut power in Jiangsu and Zhejiang provinces 12,480 times in the first five months of last year, 4.9 times the figure in 1992.

This year all eastern provinces except Anhui are expected to suffer severe power problems.

The crisis is worse in the South. In Guangdong Province, demand has exceeded supply by 30 percent over the past 15 years. Since 1979, it has had to purchase electricity from neighbouring Hong Kong. Today, it spends 10 times as much money to buy Hong Kong electricity as it did in 1979.

The Northeast China Power Grid, which had met the region's needs until three years ago, fell short of demand by 900 million kilowatt-hours last year. And that figure is likely to reach 3 billion kilowatt-hours this year.

Industry has been the top victim of the energy crisis. Frequently, local plants cut electricity first to factories.

Each year, according to the Ministry of Power Industry (MPI), about one-third of production capacity at factories is lost due to power cuts. For example, many factories in Guangdong have to stop operation three days a week, reducing production by 30 percent.

The power industry itself has also been a victim.

Normally, 25 percent of generating units in power grids are supposed to be idle so they can be maintained and held in reserve in case of breakdowns.

But the energy crisis has forced all units into operation. As a result, generators that should be overhauled are still in operation.

According to international standards, generating units should be in operation less than 5,000 hours a year. But since 1970, China's have been exceeding 6,000 hours annually.

Worse, obsolete equipment continues to be used. In many cities, distribution networks 25 years old are still in operation.

In Shanghai's busiest commercial centre, equipment from the 1920s and 1930s is still around. Four cities in Northeast China—Dalian, Fushun, Shenyang and Changchun—are still using machines left behind by the Japanese in World War II.

MPI officials blame the problem on inadequate investment.

To evaluate a country's power industry, experts use an internationally recognized yardstick—the "power elastic co-efficient."

The co-efficient compares the power industry's growth rate to that of the industrial and agricultural output value. If the co-efficient is 1, the two growth rates are equal. If it is greater than 1, the power industry has grown more quickly; otherwise, there is an energy shortage.

During the past two decades, China's power elastic co-efficient has ranged between 0.7 and 0.75, according to MPI.

To remedy the problem, the World Bank has suggested that developing countries invest more than 2 percent of their gross national product (GNP) in the power industry. But between 1980 and 1992, China put only 1.24 percent of its GNP into energy.

Enterprises in the power industry still live under the planned economy. They have not become independent commodity producers and are not accountable for losses. The State demands they hand in more than 90 percent of their revenue in taxes and profit turnover. This leaves them less than 5 percent of their revenue to upgrade equipment and improve operations.

By contrast, many overseas counterparts spend half their earnings on development projects. In some countries this figure is as high as 90 percent.

China's electricity prices have also been kept artificially low under the planned system, Shi said.

The prices were set in 1958 and, although adjusted for the first time last year, are extremely low. Meanwhile the cost of fuel, raw material and generators has risen sharply with inflation.

From 1968 to early last year, one kilowatt-hour of electricity cost only 0.16 yuan (\$0.018).

Early last year, the MPI raised the price to 0.20 yuan (\$0.023), still a far cry from the actual price.

For every 100 yuan (\$11.5) the power industry invests, it loses 20 yuan (\$2.3).

Shi said the artificially low price leads to a waste of electricity, affects fund-raising and severely hinders development.

Many Chinese waste energy because electricity rates are so low. The MPI is formulating a publicity scheme to impress upon the public the need to save electricity, Shi said.

In 1992, when experts from the World Bank voted to decide whether to invest in the Zouxian Power Plant in Shandong Province, an American expert abstained because electricity prices failed to reflect market demand, the PEOPLE'S DAILY reported.

To keep pace with growth, the power industry plans to increase the generating capacity of large and medium-sized generating units by more than 15 million kilowatts a year between 1995 and 1997. From 1998-2000, 20 million kilowatts are to be added annually.

If this is done, the country's total installed electricity capacity will be 310 million kilowatts by the turn of the century.

Shi said this will ease the country's energy crisis and bring electricity to 95 percent of rural households.

But to meet this goal, the power industry must break free from the planned economy, he said.

He stressed the need for establishing modern power enterprises that operate free of government interference, have independent decision-making power and assume responsibility for their profits and losses. Their property rights and other obligations should also be clearly defined, he said.

#### **'Rapid Development' Seen in Wool Textile Industry**

OW0205151394 Beijing XINHUA in English 1441  
GMT 2 May 94

[Text] Xian, May 2 (XINHUA)—With the rapid development of its wool textile industry in the past dozen years, China has risen to become one of the major wool-processing countries in the world.

At present, all provinces, municipalities and autonomous regions of the country have wool textile enterprises. The country now has a total of 3.3 million wool spindles, which is five times that in 1980. Besides, it also has 35,000 wool looms.

In 1992, China produced 338 million meters of woolen fabrics, 350,000 tons of knitting wool and 25 million wool carpets.

The country now has various kinds of advanced domestically-made and imported equipment for wool processing and rich varieties of wool products such as cashmere sweaters, artificial furs, camel hair cloth and other products for decoration and industrial use. Many of the products are fine finished goods.

Currently, the output value of the wool textile industry accounts for 15.7 percent of the output value of the country's total textile industry.

#### **'News Analysis' Says Agriculture Facing 'Challenges'**

OW0305105094 Beijing XINHUA in English 0624  
GMT 3 May 94

[Unattributed "News Analysis": "China's Agriculture Facing Challenges"]

[Text] Hefei, May 3 (XINHUA)—Agriculture has always been given top attention in national economic construction, and Chinese leaders have time and again stressed its importance.

However, the sluggish agriculture sector is faced with challenges in the course of rapid national economic development, according to economists.

Last year saw the national economy develop at a speed of 13.4 percent compared to the previous year and the gross output value of agriculture grew by only four percent.

Although the total grain output reached a record of 450 billion kg last year, most provinces in southern China, known as a "land of plenty", reported reductions in the output of grain, cotton and cash crops.

"Agriculture is the source of the basic necessities of life, and the supply of farm products directly affects people's living standards and the stability of prices," said an economist here.

"Once it fluctuates, people will face food problems and it will be difficult to construct a market economy," he added.

Analysing the reasons why agriculture is developing too slowly, Liu Jiang, minister of agriculture, acknowledged the government's inefficient input into agriculture, the price scissors between industrial and farm products, and poor education and imperfect basic management in rural areas.

China has a total population of 1.2 billion, of whom 900 million live in the rural areas.

Chinese leaders have time and again stressed the necessity for the consolidation of the foundation of agriculture, and called for ensuring the annual grain output to remain at or above 450 billion kg and cotton, 4.85 billion kg. Farmers incomes should increase at a rate of 5.8 percent annually, they say.

To guarantee farm production, governments at different levels have adopted a package of policies.

The government of Fujian Province, in southeast China, has encouraged industrial enterprises to support agriculture.



Tong Wanheng, deputy governor, said, "The wider we open to the outside world, the more attention we should pay to grain production."

To encourage farmers to grow more grain, the Zhejiang Provincial Government has made it known to increase grain purchase prices this year.

Central China's Henan Province plans to invest 1.28 billion yuan in transforming low-yield farmland and building key irrigation projects this year, an increase of 11 percent over the previous year.

Southwest China's Sichuan Province has sent some 10,000 agro-technicians to 30 grain production bases to offer technical consulting services and guide local farmers in scientific farming.

"It is hard to image Sichuan, China's most populous province, lacking grain," Zhang Zhongwei, deputy governor of Sichuan in charge of agriculture, said.

A survey shows that Chinese farmers so far have grown grain in 109.3 million ha [hectares], basically fulfilling the annual farming program.

The rise of state cotton purchase prices has stimulated farmers' enthusiasm for cotton growing.

In addition, the 500 state-designated marketable grain counties, 150 cotton-producing counties and a number of areas piloting in quality and efficient agriculture already have taken steps to promote scientific farming.

### 13 Counties Chosen for Reforms To Bring Farmers Prosperity

HK0305101294 Beijing CHINA DAILY in English 5 May 94 p 1

[By Sun Shangwu: "State Picks Counties To Pioneer Reforms"]

[Text] The central government has selected 13 counties with varying degrees of development to carry out comprehensive reforms aimed at bringing prosperity to farmers.

The counties will pioneer economic development and social security reform in the next three to five years as a pilot project for national growth, a State official said in an interview with CHINA DAILY over the weekend.

They will serve as a case-study for authorities reviewing the on-going national rural reforms.

The programme is based around the concept of making rich counties richer and allowing poor counties to climb out of poverty, said an official from the State Commission for Economic Restructuring (SCER).

Experts and government officials will provide specialist advice and help solve problems emerging from local reforms, the SCER official said.

Each model county will have a special fund from its province or city to ensure smooth development of reform.

These counties are scattered in ten [as published] provinces such as Zhaodong in Heilongjiang, Haicheng and Wafangdian in Liaoning, Huanghua in Hebei, Gongyi in Henan, Guanghan and Fuling in Sichuan, Xuanzhou in Anhui, Yangxin in Shandong, Shanyin in Shanxi, Changshu in Jiangsu, Zengcheng in Guangdong and Shunyi in Beijing.

Seven of them are in affluent river delta areas or in regions adjoining big cities while the rest lay in inland and mountainous regions.

By China's standards, five of them are considered "developed," six are "moderately developed" and the other two are "less developed."

"We choose those counties because they represent the actual conditions in this country, where levels of economic development differ greatly in different regions," the official said.

County-owned enterprises will be encouraged to switch either to a shareholding or shareholding co-operative system. Some of them will diversify to include related industrial production to enhance market competition.

The key parts of social security reform will be establishing solid health insurance plans and pension funds.

Local labour markets will also be developed to guide the flow of the surplus rural workforce, according to the official.

Reform of local science and education will be carried out in line with the local economic development.

Capital drawn into the pilot counties from overseas investors as well as other provinces should be used to cultivate natural resources, the official said.

These pilot counties will continue to push reform of local governments to serve the region's economic development.

The official said SCER will help hammer out a monitoring programme to oversee the reform process in these counties.

The project's evaluation will be thorough and objective and reflect the implementation of the reforms.

Information exchanges in these model counties should be enhanced to distribute their experiences.

The SCER official stressed each county will be able to carry out individualized reform measures.

**Correction to Li Ruihuan Meeting Model Workers**  
**OW0305050194**

The following correction pertains to the item headlined  
"Li Ruihuan Meets Representatives of Model Workers"

published in the Economic & Agriculture" section of the  
2 May China DAILY REPORT on page 33:

Column one, paragraph five, first sentence make read:  
...Li Ruihuan said: Marxism maintains that labor is of...  
(rewording for clarity).



## East Region

### Anhui Secretary Views Tax Reform Problems

OW0205135494 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 30 Apr 94

[From the "Provincial Hookup" program]

[Text] Lu Rongjing, secretary of the Anhui Provincial CPC committee, and Wang Yang, member of the provincial party committee standing committee and vice governor, separately led comrades in charge of various provincial departments concerned in visiting Hefei, Xuancheng, Wuhu, Fuyang, Huaibei, Suxian, and Bengbu from 13 to 22 April. They conducted investigations and studies on how to deal with new circumstances and problems in those localities during the course of reforming the fiscal and taxation system.

They pointed out during the visits: The reform of the fiscal and taxation system is one of the several major reforms this year, and it is of great significance to promoting smooth proceeding of other reforms and to keeping a sustained, rapid, and healthy economic development. Leading cadres at all levels should seriously enhance their understanding of the importance of the fiscal and taxation system reform. The no. 1 men of party and government organizations should conduct investigation and study at lower levels on problems relating to local revenue sources. They should clearly know local situations so as to provide correct guidance for economic work.

Lu Rongjing and other leading comrades called on all localities and departments to actively adapt themselves to the new fiscal and taxation system. They called on all localities and departments to pay attention to the following several points: (1) It is necessary to adhere to the notion that development is the last word, make great efforts to further promote economic growth, cultivate new revenue sources, link the fiscal and taxation work with economic development, and increase revenues on the basis of reliable economic development. (2) It is necessary to enhance the awareness of economic efficiency, strive to invest the limited financial and material resources in industries and products of high added value and high economic returns, and truly make the improvement of economic efficiency the central task of economic development. (3) It is necessary to change the idea of helping enterprises by relying solely on reduction of tax payment and profit delivery quota. We should help enterprises enter the market to participate in fair competition. We should enhance the government's ability in macroeconomic regulation and control. (4) Importance should be attached to both increase of revenues and reduction of expenditures. It is necessary to improve the management of funds, particularly the extra-budgetary funds, reduce expenditure and promote the work style of diligence and thrift. We must resolutely overcome the bad phenomenon of being wasteful and extravagant

while being financially tight. We must maintain a basic balance between revenue and expenditure.

During a discussion with local cadres, Comrades Lu Rongjing and Wang Yang repeatedly urged all localities to make efforts to study the new circumstances and new problems during the current reform of the fiscal and taxation system. The study should be conducted in a comprehensive, systematic, and thorough way on the basis of the preliminary study done in the preceding period. To build a leading force and work force that meet the needs of the fiscal and taxation system reform, leading cadres and staff members of various departments at various levels should be trained, either on a rotational basis or in regular training classes, in party or cadre schools. The propaganda departments at all levels should step up propaganda. The fiscal and taxation departments at various levels should set up a hotline for answering people's questions about fiscal and taxation work, accurately explain new policies to enterprises and families, and enthusiastically provide good service to urban and rural production units and businesses.

### Anhui Province Expands Foreign Trade

OW3004021294 Beijing XINHUA in English 0121 GMT 30 Apr 94

[Text] Hefei, April 30 (XINHUA)—Anhui Province in East China has expanded its export market to the Middle East, South America and Africa while consolidating its traditional markets in Hong Kong, Macao, Japan, the United States and Europe.

Of its total export volume, some 33 percent, or over one billion U.S. dollars worth, goes to the Middle East, South America and Africa.

Meanwhile, Anhui Province has approved 2,000 foreign investment projects from 28 countries and regions in Asia, Europe, Africa, North America and Oceania. Such enterprises involving in agricultural production, construction, communications, telecommunications and the service trade, are active in selling their products in international markets. The total export volume of these enterprises has already accounted for 10 percent of Anhui's total.

### Report Views Zhejiang Budgets

OW0105134694 Hangzhou ZHEJIANG RIBAO in Chinese 11 Mar 94 p 5

["Excerpts" of Report on the Execution of Zhejiang's 1993 Budget and the Draft 1994 Budget" by Weng Lihua, director of the Zhejiang Provincial Financial Department at the Second Session of the Eighth Zhejiang Provincial People's Congress on 26 February 1994.]

#### 1. The Execution of the 1993 Budget

In 1993, Zhejiang was able to maintain its good momentum of having a sustained, rapid, and healthy

economic growth as a result of the efforts made by governments at all levels and all departments in following through with the instructions in Comrade Deng Xiaoping's important talks and the guidelines laid down by the 14th party congress, in implementing all measures drawn up by the party Central Committee and the State Council for strengthening macroeconomic regulation and control, in carrying out the resolution of the first session of the eighth provincial people's congress about the report of the budget and final account, in continuing with the mental emancipation, in increasing the intensity of reform, and in accelerating economic growth.

On this basis, Zhejiang's revenue grew quite rapidly, and the financial needs of economic construction and other development projects were basically ensured.

Zhejiang's 1993 budgetary revenue authorized by the first session of the eighth provincial people's congress was 13 billion yuan; but the actual amount received was 28 percent above target, reaching 16.665 billion yuan. That was 38.6 percent higher than that of the preceding year. The revenue included business taxes of 16.411 billion yuan, which was 38.7 percent above target and 50.6 percent higher than that a year before.

Moreover, Zhejiang also fulfilled the quota of selling 1.223 billion yuan of treasury bonds.

While the 1993 spending budget approved by the first session of the eighth provincial people's congress was 10.096 billion yuan, the province actually spent 12.493 billion yuan, or 23.7 percent more than the approved budget and 26.8 percent higher than the 1992 budget. The spending included 685 million yuan for capital construction projects—29.3 percent higher than the budget and 26.8 percent higher than that a year before; 1.065 billion yuan for enterprises to tap potential and upgrade technology—63.9 percent higher than the budget and 70.2 percent higher than the 1992 budget; 1.221 billion yuan for supporting agricultural production and for operating expenses for agricultural, forestry, and water conservancy projects—24.3 percent higher than the budget and 32.4 percent higher than that of a year ago; and 3.479 billion yuan for the operating expenses for cultural, educational, and health projects—17.3 percent higher than the budget and 25.2 percent higher than the 1992 spending. In this last category, educational operating expenses were 2.043 billion yuan, or 28.9 percent higher than that of a year ago. Meanwhile, the expenditure for science and technology was 221 million yuan—2.3 percent higher than the budget and 12.3 percent higher than that a year ago; 1.484 billion yuan for administrative expenses—30.2 percent higher than the budget and 37.5 percent higher than that a year ago; and 571 million yuan for law enforcement—24.1 percent higher than the budget and 32.2 percent more than that a year ago.

The provincial treasury's 1993 revenue authorized by the first session of the eighth provincial people's congress was 650 million yuan, but the actual income amount was

902 million yuan, or 38.8 percent higher than the authorized amount and 59 percent higher than that a year ago. The provincial treasury's 1993 expenditure authorized by the first session of the eighth provincial people's congress was 2.46 billion yuan, but the amount actually spent was 2.64 billion yuan, or 7.2 percent higher than the budget and 12.3 percent higher than the expenditure a year ago.

It is expected that Zhejiang's revenue and expenditure in 1993 could be balanced with a little surplus. This is based on the deduction of 4.85 billion yuan—a sum Zhejiang had to deliver to the central treasury (including the part of export tax refunds that had to be delivered to the central government)—from the amount of revenue as well as the special subsidies of 1.03 billion yuan from the central authorities.

There were many reasons why the province's revenues and expenditures in 1993 rose so fast and exceeded the budgeted figures by so large a margin. On the revenue side, first, it was because the provincial economy, after achieving a high growth rate in the preceding year, continued its fast momentum, thereby generating more tax revenues from the production and circulation sectors. The province's gross domestic product (GDP) is expected to reach 164.5 billion yuan, a 25-percent increase over the previous year. The added value of industrial output is expected to reach 87 billion yuan, a 40-percent increase. Sales revenues of industrial enterprises at and above the township level that maintain independent accounting rose 52 percent. Total retail sales reached 75.87 billion yuan, up 33.2 percent. Industrial and commercial tax revenues reached 16.411 billion yuan, a 50.6-percent increase. Of the total, 13.169 billion yuan was from three types of industrial and commercial tax, up 59.4 percent. Second, it was because since the second half of 1993 departments at all levels in the province have seriously implemented the guidelines of Central Document No. 6. They reduced fiscal deficits; corrected unauthorized exemption and reduction of taxes, energy, transport construction, and budget regulatory funds; halted the approval of temporary exemption and reduction of taxes; and stopped loopholes that caused revenue losses. As a result, revenues had increased for the entire year. Third, it was because financial and tax departments enforced strict management of tax collection, strengthened tax auditing, sternly dealt with illegal acts of evading taxes and refusing to pay taxes by fraudulent means, and strengthened collection and management of taxes from individual businesses. In 1993, the province collected 2.23 billion yuan of taxes from individual businesses, a 39.5-percent increase. On the expenditure side, it was mainly because of factors closely related to policy implementation, such as increase in wages and cost of living allowances for workers following the lifting of controls on grain price, and the rapid increase of personnel expenditures. The province's administrative budget alone was 1.484 billion yuan, an increase of 0.41 billion yuan or 37.5 percent. In addition, various localities also tried their best to spend



more in support of agricultural, scientific and technological, and educational development and in support of enterprise technological transformation and urban infrastructural construction. According to statistics, the province's budgetary expenditures on education last year reached 2.269 billion yuan (including education funds and urban education surcharges), an increase of 0.549 billion, up 31.9 percent, faster than the increase in general budgetary expenditure during the same period. Enterprises' expenditure in tapping potentials and technological transformation grew 0.439 billion yuan, or 70.2 percent, over the previous year.

The province's 1993 revenues and expenditures budget was generally well implemented. On the revenue side, there were no violations discovered, such as collecting taxes excessively or "eating next year's food." On the expenditure side, various localities gave priority to key projects and emphasized overall balance, thereby pushing forward economic construction and social undertakings. Localities used increased revenues mainly to reduce fiscal deficits, increase productive expenditures, develop various undertakings, and cover necessary personnel expenditures.

In the past year, under the leadership of the local party committee and government, departments at all levels in the province deepened reform, opened up wider to the outside world, always gave priority to the work of accelerating economic development, worked hard to expand financial resources, and stepped up efforts to increase revenue and reduce expenditures. They did a tremendous amount of work to accomplish the province's budgetary goal and achieve balance between revenues and expenditures.

(1) Earnestly implementing the guidelines of Central Document No. 6 and strictly enforcing the "three covenants" to rectify financial and taxation orders. Since the second half of 1993, in accordance with the guidelines of Central Document No. 6 requiring local authorities not to create deficits in local budgets, various localities have achieved unity in thinking and understanding and produced remarkable results in overcoming and rectifying the erroneous idea that "deficits are harmless" and in adopting firm measures to increase revenues and reduce general fiscal expenditures. In the process of reducing fiscal deficits, people's congress standing committees at all levels strengthened supervision and guidance and performed a tremendous amount of work. They earnestly launched inspection of unauthorized exemptions and reductions of taxes, abolished certain preferential policies locally formulated in violation of rules, and corrected the erroneous practice of some localities that wailfully exempted or reduced the energy and transport construction funds and budget regulatory funds. They halted the approval of temporary exemption and reduction of taxes. As a result, the province's financial and taxation order moved further in the right direction. (2) Meticulously organizing forces to vigorously implement measures to push forward reform of the financial, taxation, and accounting systems. Since the beginning of last

year, various localities have given priority to implementing the general rules and new financial and accounting systems for various industries. As time was short and the task onerous, departments at all levels assumed responsibility for themselves and cooperated with each other to carry out in a timely fashion the training of financial and taxation personnel in their own departments and in enterprises. They earnestly brought about the transition from the old accounting system to the new one and the change of books. This has ensured the smooth implementation of measures for reforming enterprises' accounting system. Regarding the implementation of the "Regulations on Transforming the Management Mechanisms of State-Owned Industrial Enterprises," (hereinafter referred to as the "Regulations") and the "Implementing Measures" adopted by the province, various localities proceeded from reality and reformed the various financial regulations and rules incompatible with the "Regulations," truthfully delegating the financial decisionmaking power to enterprises as mandated by the "Regulations." To hold back the strong momentum in the rapid rise of budgets for public medical service, the province reformed the medical service system last year to reduce waste in public medical service. On the question of pushing forward financial and taxation system reform, first, we earnestly carried out experiments in financial reform of the tax-revenue sharing system. Acting in accordance with the uniform planning of the state and province, localities actively explored and accumulated experiences for the formal implementation of the tax-revenue sharing financial system. Second, since the second half of 1993, under the leadership of the local party committee and government, departments at all levels actively carried out preparatory work for reform in five major fields. They earnestly studied, analyzed, and measured the financial and tax reform and its impact on the economy, and they carried out propaganda and training for implementing the new tax system. Third, pursuant to the guidelines of the State Council "Decision on Implementing the Tax-Revenue-Sharing Financial Management System" and the principle of "standardization, convenience, and fairness" forwarded by the provincial government and after careful study and repeated measurement, a program for implementing the tax-revenue-sharing financial system at the city, prefectural, and county levels has been formulated.

Moreover, localities have also made useful explorations, and scored heartening progress, in the reform of the revenue-sharing, wage, shareholding, housing, and other systems. (3) Adopt positive measures to promote all-round development in the economy and endeavors in all other fields. In 1993, localities earnestly implemented relevant state policies and measures by providing vigorous support to development of new and high technologies and the construction of infrastructure facilities and basic industries. We encouraged the introduction of investment and advanced technologies from abroad, improved management of World Bank-funded projects and loans, and promoted the development of an open economy. We

raised funds to increase agricultural input; promoted a high-yield, high-quality, and high-efficiency agriculture; accelerated the development of a network of collectivized services in rural areas; supported the development of village and township enterprises; and offered assistance to economic development in mountainous, island, and other poverty-ridden areas. In 1993, the province spent 840 million yuan to support agricultural production, up 39.9 percent over the previous year. Continued efforts were made to implement the policy designed to invigorate and improve the operations of state-owned large and medium enterprises. State-owned industrial enterprises covered by the budget set aside 581 million yuan from their sales income as technology development, supplementary working, and additional appreciation funds, up 137.1 percent over the previous year. Meanwhile, we tried every possible way to raise funds for enterprise technical upgrades. The provincial treasury raised 210 million yuan to help fund key technical upgrade projects—including technical upgrading of silk mills and select village and township enterprises—during the Eighth Five-Year Plan period [1991-96]. With focus on implementing the two sets of rules [Business Accounting Standards and General Rules of Financial Affairs for Enterprises] and the "Regulations," we helped enterprises upgrade internal management, implement measures aimed at making up deficits and increasing revenues, and improve economic efficiency. We continued to implement the policy and measures of "revitalizing the province by relying on science and technology and education," implemented reform of the educational and scientific and technological management systems, and expanded funding sources. More support was given to the development of science and technology, culture, education, public health, and other endeavors; expenditures on these endeavors covered in the 1993 provincial budget alone amounted to 3.927 million yuan, up 820 million, or 26.2 percent, over the previous year. (4) Improving tax collection, strictly controlling spending, and implementing well work related to increasing revenue and reducing spending. Localities stepped up auditing tax collection in an effort to improve tax collection and organize revenues well. Most of the cities and counties set up tax auditing forces and stepped up coordination among financial, taxation, public security, industrial and commercial administration, and judicial departments, and cracked down hard on illegal acts, such as evading or refusing to pay taxes. While paying close attention to collecting taxes from principal sources of tax revenues and major tax payers, the province conducted special tax auditing among self-employed industrial and commercial entities and privately run enterprises, recovering an additional 44.6 million in taxes. We stepped up tax collection among foreign-funded enterprises and launched a vigorous drive against tax evasion. In 1993, the province collected 819 million yuan in industrial and commercial consolidated taxes, up 557 million yuan, or 2.25 times, over 1992. We improved invoice administration and cracked down on such illegal acts as illegal printing, counterfeiting, or sale and issuance of fake invoices. To exercise strict control

over expenditures, localities improved expenditure administration and paid special attention to bringing administrative outlay and institutional purchase under control. A quota system that was widely introduced in regard to administrative outlay was effective in encouraging the departments and units to manage their finances well and produced fairly good results. Departments at all levels also implemented effective measures to cut down on meetings and reduce meeting-related spending, postal and telecommunications expenditures, and office equipment purchases.

(5) Enforcing financial and economic discipline and strengthening supervision and inspection of finance and taxation. In accordance with the State Council's unified arrangements, various localities earnestly carried out a general checkup on taxation and finance. By the end of last December, the province had uncovered 571 million yuan in discipline-violation monies, traced 424 million yuan in payable taxes, and recovered 356 million yuan in fiscal revenues. We also investigated and dealt with a number of serious and major cases; further strengthened state-owned property management; appraised fixed assets and circulating funds in administrative undertakings and units; and further strengthened supervision over the assessment and title-registration of state-owned property in Sino-foreign joint ventures, contractual joint ventures, and joint-stock enterprises, thus making important contributions to preventing the drain of state-owned property. We paid further attention to developing the undertakings of registered accountants and strengthened the development and administration of registered accountants and accounting firms. By the end of 1993, 129 accounting firms with a total of 1,220 registered accountants had been set up across the province. We did earnest work in clearing illegal fees, particularly in exposing illegal-fee problems that drew strong criticisms from the masses. By the end of 1993, the province had announced the abolition of a number of fees that were inconsistent with stipulations by the central and provincial governments and sorted out and refunded unreasonably collected fees amounting to 10.039 million yuan.

Of course, some problems that brook no ignorance remained in our work. First, there was inadequate awareness of the need to keep expenditures within the limits of income, act according to our capability, and strike an overall balance. Some cities and counties were very tight in disposing finances because their income growth had failed to keep up with growing expenditures. Second, there were a softening of budgetary restraint and lack of effective control over spending, with some departments and units spending money without much care or regard to cost effectiveness, and even frequently engaging in extravagance and waste. Individual localities still saw the diversion of funds for aiding the poor to other purposes. Third, some enterprises remained wanting in economic efficiency. By the end of 1993, 398 state-owned industrial enterprises covered by the budget suffered losses totaling 450 million yuan and had net accounts receivable topping 5.25 billion yuan. Fourth,



the methods of tax collection and administration still fell behind the needs of developing circumstances despite some improvement, leading to frequent occurrences of law violations such as tax evasion, violent tax refusal, and tax fraud. All these problems call for our great attention and earnest improvements in future work.

## 2. Draft Fiscal Budget for 1994

The year 1994 is important for continuously maintaining the favorable momentum of economic development as well as a crucial one for advancing the establishment of a socialist market economic system. Determined in accordance with the economic development strategy determined by the provincial party committee and government and the focus of this year's provincial economic work and in conjunction with the overall requirement of fiscal reform, the guiding ideology for the provincial budgetary arrangements for 1994 is: Implement in depth the guidelines of the CPC 14th National Congress and the decision of the Third Plenary Session of the 14th CPC Central Committee on issues concerning the establishment of a socialist market economic system; implement the guidelines of the ninth provincial party congress; earnestly and properly carry out financial and taxation reform; actively support all other reforms; adhere to the principle of keeping expenditures within the limits of income, acting according to our capability, and striking an overall balance; strengthen fiscal management; ensure that local finances will not run into the red; and work hard to foster finances and increase fiscal revenues to support economic construction and the development of various social undertakings.

According to the guiding principle set by the Zhejiang provincial authorities for this year's budget preparations and the province's economic planning targets, and based on the regulations governing the tax revenue sharing system, the province's fixed financial revenue for 1994 is projected at 8.02 billion yuan, a 10.1-percent increase over the previous year (calculated using similar items [tong kou jing, 0681 0656 1777]; same for the following). The budgets of major revenues are: (1) industrial and commercial tax revenues (including the 25-percent value-added taxes [VAT]) are set at 6.57 billion yuan, up 8.3 percent from the year before; (2) agricultural tax revenues are set at 570 million yuan (including taxes and other revenues from special agricultural products), a 12.1-percent increase over the previous year; (3) enterprise income taxes are set at 1.21 billion yuan, same as the previous year; (4) revenue of energy and transportation funds is set at 30 million yuan, 67.4 percent less than the previous year; (5) revenue of budget regulation funds is set at 36 million yuan, 71.7 percent less than the previous year; (6) revenue of pollution fighting fees is set at 120 million yuan, a 2.2-percent increase over the year before; (7) revenue of extra educational fees is set at 310 million yuan, up 12.5 percent from the year before; and (8) subsidies to cover state-owned enterprises' losses is set at 1.1 billion yuan, 25.4 percent less than the previous year. The province's fixed financial revenue for 1994 is projected at 8.02 billion yuan. Including the projected

5.2 billion yuan (excluding the 5.06 billion yuan that is to be submitted to the central authorities according to the system) of tax revenue return from the central authorities and of the central authorities' subsidies for special projects, which is computed based on the province's 1993 revenue, the province's usable funds for 1994 is projected at 13.22 billion yuan.

According to the principle that no deficits are allowed to be included in local budgets, and to ensure that there will be sufficient funds for the province's 1994 expenditures, we plan to set the province's 1994 expenditure at 13.22 billion yuan, a 5.9-percent increase over the previous year (calculated using similar items; same for the following). The budgets for major expenditures are: (1) expenditure for capital construction is set at 620 million yuan, 9.1 percent less than the year before; (2) expenditure for tapping enterprises' potentials and for their technological transformation is set at 790 million yuan, down 25.6 percent from the previous year; (3) expenditure for science and technological development is set at 240 million yuan, up 9.7 percent from the year before; (4) expenditure for agricultural development is set at 1.25 billion yuan, a 9.7-percent increase from the year before, of which 830 million yuan is for supporting agricultural production, or 10 percent higher than the previous year; (5) expenditure for cultural, educational, and public health purposes is set at 4 billion yuan, 14.9 percent higher than the year before, of which 2.361 billion yuan is for educational purposes, or 15.6 percent higher than the previous year; (6) administrative and management expenditure is set at 1.62 billion yuan, up 9.4 percent from the year before; (7) expenditure for public security, procuratorial, and judicial work is set at 650 million yuan, 13.5 percent higher than the year before; (8) expenditure for supporting development in underdeveloped areas is set at 53 million yuan, a 5.3-percent increase over the previous year; and (9) extra educational expenditure is set at 250 million yuan, up 12 percent from the year before.

In the draft provincial budget, provincial financial revenue for 1994 is projected at 450 million yuan, or 2.8 percent less than the previous year calculating using similar items. Including the projected 2.37 billion yuan of tax revenue return from the central authorities, of the central authorities' subsidies for special projects, and of funds submitted and transferred from all cities and counties, the usable provincial funds for 1994 is projected at 2.82 billion yuan. We plan to set provincial financial expenditure for 1994 at 2.82 billion yuan, or 7 percent more than the previous year calculating using similar items.

From the aforementioned budgeted financial revenues and expenditures, revenues are budgeted in a positive manner, expenditures are tight, and the revenues and expenditures budgets are balanced. However, due to various factors, the province's general financial situation in 1994 will still be tough and contradictions between the supply and demand of funds still will be quite prominent. The first reason is that, after the tax revenue

sharing system is implemented, 75 percent of VAT and all consumption taxes will be submitted to the central authorities; in addition, we have to gradually increase the amount to be submitted, as required by the old system. The second reason concerns expenditures. We not only have to deal with the increased expenditures for wage adjustment, for subsidies to cover the differences resulting from the readjustments of coal and electricity prices, and for subsidizing housing reform, which are all a result of new policies adopted last year, there also will be many increased expenditures due to new policies to be implemented this year. Therefore, contradictions between revenue and expenditure will be even more acute this year and it will be more difficult to maintain a balance.

In addition, since this is the first year to carry out new financial and taxation system, some concrete situations and problems need to be further investigated and studied. In terms of various policies and measures that have been or will be introduced, a process of transition and adaptation is needed for their actual operation. The financial and taxation work as a whole will face even more arduous tasks because new situations and problems will keep cropping up. Of course, we should also understand that there are quite a few favorable conditions. Our economic development, reform, and opening up are facing rare opportunities. First, since we have gradually carried out the central authorities' various measures concerning macroeconomic control, we have alleviated the contradiction between overall demand and supply and created even more favorable conditions for economic development. Second, with the progress of the financial, taxation, banking, investment, and foreign trade management systems, a socialist market economy will be further established and improved. Third, affected by the growth of investment, agricultural prices, and wages as well as other factors, market demand will continue a vigorous momentum. Zhejiang will continue to experience sustained, rapid, and healthy economic development and greater progress in reform, which in turn will provide better conditions for the financial and taxation work. Therefore, we should comprehensively and objectively analyze the current situation, unify thinking, enhance understanding, boost morale, foster faith, and strive to achieve financial balance.

### 3. The Key Points of the 1994 Financial Work

To ensure that Zhejiang will have a balanced financial budget in 1994, we should further study and carry out the guiding spirit of the "Decision of the CPC Central Committee on Some Issues Concerning the Establishment of a Socialist Market Economic Structure" and that of the ninth provincial CPC congress, focus on the establishment of a socialist market economy and the key points of Zhejiang's 1994 economic work, and improve financial and taxation reform as well as reform in other aspects. To meet the need of a socialist market economy, we should accelerate the change of government functions, promote the development of economic and other aspects, enhance enterprises' economic performance,

increase profits, and reduce expenditures. (1) Further promote sustained, rapid, and healthy economic growth in Zhejiang by expanding financial resources and improving economic policy. Improving the economy and cultivating financial resources have always been the primary task of financial and taxation work. We should further stabilize the farming sector's status as the foundation of the national economy and carry out policies and measures concerning the promotion of agricultural production and rural economic development. We should actively support the establishment of a grain production risk foundation, grain reserve and control system, and reserve system for agricultural capital goods. It is necessary to support the readjustment of agricultural structure and promote a high-yield, high-quality, and high-efficiency agriculture. We should work hard to raise special funds for water conservancy projects and strive to enhance the economic performance of such funds. Continued efforts should be made to support economic development in mountain, island, and poverty-stricken areas. We should further expand channels for pooling funds and energetically support the construction of basic industries and infrastructure facilities, including transportation. It is necessary to support the construction and development of public utilities and public affairs undertakings. We should support the development of scientific and technological and educational undertakings by increasing capital input. We should help enterprises accelerate technical renovation, make up deficits and increase surpluses, strengthen market competition capability, and enhance economic performance. We should continue to raise funds to support the provincial government's technical renovation plans for major projects and the silk industry. We should strengthen the management of World Bank loans so as to increase their economic results. We should conscientiously carry out the state's relevant policies and regulations concerning financial and taxation matters and provide continued support to the economic development of various development zones and open cities. We should provide further support to the reform of the foreign trade system, strengthen financial supervision of foreign trade companies and foreign-funded enterprises, and strive to enhance Zhejiang's export and foreign-exchange earning ability. Meanwhile, we should take active measures to energetically support the development of tertiary industry.

(2) We should unify our thinking and effectively carry out various measures for reforming the financial and taxation systems. Reform of the financial and taxation systems is an important aspect in establishing a socialist market economic structure. We should understand the great significance of financial and tax reform from an overall and strategic point of view. We should carry out the reform of the financial and taxation systems as the central task of this year's financial and tax work; we should carefully organize this work, make proper arrangements for it, and conscientiously perform it. We should earnestly study new situations and problems arising in the course of reform and particularly study the possible impact of the financial and tax reform on



economic development. As for problems arising in the process of replacing the old structure with a new one, we should deal with different problems in different ways. Problems which fall within the powers and functions of the provincial government should be studied and handled promptly and properly by the provincial government. As for problems that fall within the central authorities' powers and functions, we should report them to higher levels to have them solved as soon as possible. We should vigorously support reform in banking, investment, foreign exchange, and other fields; support and participate in the reform of the social security and urban housing systems; and support the experiment on the establishment of a modern enterprise system. We should continue to implement in an all-round way the "Regulations" and the procedures the provincial government adopted for carrying out the "Regulations."

The plan for the revenue-sharing system for the province, cities, prefectures, and counties, which was appropriately revised after being discussed at a provincial economic work conference and listening to the opinions of various localities, has been formally issued for implementation. Acting in the spirit of seeking truth from facts and proceeding from arousing local governments' initiative in developing the economy and increasing financial revenues, the provincial government will earnestly handle the interrelations between the province, cities, prefectures, and counties to further promote a coordinated development of the province's economy. The provincial government will concentrate an appropriate proportion of the increased financial revenues on certain projects—this is an objective requirement for the provincial government to increase its ability to exercise macroeconomic regulation and control and to maintain the province's coordinated economic and social development. Conscientious efforts should be made to perform ideological work, to promote coordinated development in various parts of the province, to concentrate on economic construction, and to make financial revenues steadily increase with economic development. (3) **We should accelerate the change of functions in finance and taxation to meet the needs of the market economy.** How to do financial and tax work well under the socialist market economy is a new task before us. According to the requirements of the changing situation, we should further emancipate our minds, change our ideas, and step up our study of the market economy theory. We should conscientiously explore and study concepts and methods of managing money matters in the new situation. The stress of financial and tax work should be shifted as soon as possible to macroeconomic regulation and control as well as supervision and management. We should open up the field of financial investment, develop the negotiable securities trade, strengthen the management of funds for public housing, and further strengthen supervision and control over extra-budgetary funds to prevent the loss of such funds. We should quickly readjust the economic development strategy according to the change in the distribution of financial resources, strive to bring about economic growth, and try to increase financial revenues

for local governments. We should quickly institute a local tax system and lose no time in studying the levying and management of taxes on earnings from the transfer of land leases and real estate and of inheritance and bequest taxes. We should further strengthen the management of state-owned assets and set up a social supervision network in this regard. Continuous efforts should be made to appraise the fixed assets and circulating funds, define property rights, and check up on creditor's rights and debts and on the value of enterprises' assets. We should do a good job in registering state-owned assets, strengthen the management of Chinese-owned shares of joint ventures practicing the share-holding system, prevent the loss of state-owned assets, and effectively ensure that state-owned assets and their rights and interests are not infringed on. We should further step up the study, publicity, and implementation of the "Law on Registered Accountants," strengthen the ranks of registered accountants and the management of their offices, and continuously develop their work to meet the needs of the developing socialist market economy.

(4) **We must intensify tax collection and management and make great efforts to bring in more revenue.** This year is the first for implementation of the new tax system and for the revenue-sharing system to operate. We must collect taxes strictly in accordance with the new tax law. We must continue to tighten the collection of the "two funds" [fund for priority energy and communications projects and fund for regulating the budget] from enterprises and institutions not operated by the state. These funds may not be deducted or exempted at will. We must continue to reform tax collection and management and make greater efforts in building contingents of competent tax auditors so that the ranks of auditors can be reinforced and tax collection and management can be strengthened. We must tighten the work of collecting taxes from independent business operators, private enterprises, and foreign-funded enterprises and we must audit their tax payments. We must tighten the management of invoices and draw up the necessary regulations and rules. Effective measures must be devised to heighten people's awareness of paying taxes, gradually establish and improve the system of tax payers filing taxes on their own initiative, actively promote taxation agency services, and promote the use of computers in tax collection and management. Harsh measures should be taken to crack down on all types of unlawful conduct of evading and refusing tax payments and all tax frauds. We must stop all revenue loopholes and firmly collect what should be collected. (5) **We must tighten expenditure and strictly control expenses.** We must continue to uphold the principle of spending within our means and doing what is within our ability, be stringent in earmarking funds, ensure the needs of priority projects, and curtail allotments for ordinary projects. Budgets for essential personnel must be ensured. Budget restraints must be firmly enforced, projects must be carried out strictly according to available budgets, and any casual or reckless spending habits must be combated and corrected. The procedures of setting administrative budget quotas

should be further reviewed and improved. This year's budget-cutting should focus on expenses for meetings, postage, telegrams, and utilities. Institutions should speed up the restructuring of their fiscal management, and those that have the needed resources should be supported to provide compensatory services within the bounds of law so that their capacity for self-development will be stronger as result of their efforts to bring in additional income for themselves. The "accounting of revenues and expenditures must be done separately" rule must be enforced, and controls over all budgetary incomes must be consolidated. Grain-related finances must be tightened to make sure that there will not be any new debts incurred in this area this year. We must earnestly study measures for tightening control over institutional purchases under the new situation and make every effort to stop institutional consumption from ballooning.

**'Excerpts' of Zhejiang Court Work Report**

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[Excerpts from the Zhejiang Provincial People's Higher Court's work report delivered by Xia Zhonglie, president of the higher court, to the Second Session of the Eighth Zhejiang Provincial People's Congress on 2 March 1994]

[Text] In 1993, under the leadership of party committees at various levels and under the supervision and guidance of people's congresses at various levels and their standing committees as well as the Supreme People's Court, people's courts at various levels in the province seriously implemented the resolution of the First Session of the Eighth Zhejiang Provincial People's Congress on the provincial people's higher court's work report, centered their work on promoting economic construction, carried out various adjudicatory work, enforced law in a strict manner, strengthened the ranks of judicial workers, and made progress in various tasks. During the whole year, various people's courts concluded the trials of 137,983 cases of various types, a 4.7 percent increase over the previous year, and the number of cases not yet concluded was 18.2 percent less than those in the previous year. They gave full play to the functions of judicial organs and played quite a good role in safeguarding social and political stability, in promoting reform, opening up, and economic construction, and in intensifying the anticorruption struggle.

In the past year, we took Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guiding ideology; considered the implementation of the party's basic line of "one central task and two basic points" as the fundamental task; based ourselves on emancipating our minds and seeking truth from facts in carrying out judicial work; enforced law in a strict and serious manner; correctly handled relations between adjudication and service, between striking at law offenders and adjusting various policies, and between handling various cases according to the law and being

"conductive to the three causes, namely conducive to developing the productive forces of our socialist society, increasing the overall strength of our socialist country, and improving the people's living standards;" raised the level of judicial work; and strived to protect reform, opening up, and the modernization drive, and to provide legal services. In our work arrangements, we concentrated on the three major things put forward by the party Central Committee, namely strengthening macrocontrol of the economy, opposing corruption, and safeguarding social stability. We actively unfolded adjudicatory work; placed the struggle and "hitting hard" against law offenders and the trial of major and serious cases, especial major economic crimes, in the first place; and ensured the smooth implementation of major policy decisions by the central authorities. While doing a good job in adjudicatory work, we paid attention to the building of judicial workers, conducted a massive investigation on law enforcement and discipline against corruption, consciously accepted the evaluation and judgment of our work by the people's congresses, conscientiously improved our work, constantly promoted the purity and enhanced the fighting ability of judicial workers, and guaranteed the accomplishment of our adjudicatory work.

In the past year, people's courts at various levels in the province have strengthened leadership in accordance with the above-mentioned general ideology and arrangements, adopted various measures, and stressed the following tasks: 1. **Strengthened the Intensity of Dealing Blows to Serious Criminal Law Offenders, Safeguarded Social Stability**

The good or bad public order in society directly influences the overall situation of reform, opening up, and economic construction. To safeguard stability in the society, people's courts in the whole province adhered to the policy of "dealing heavy blows to crimes," and punished criminal law offenders who killed people or committed crimes of robbery, rape, hooligan activities, and explosion, and crime groups with Mafia-like tendencies. In the whole year, various people's courts concluded the trial of 18,857 cases of the first instance, increasing by 16 percent as compared with the previous year. Those who were sentenced from five years' fixed-term imprisonment to life imprisonment or death accounted for 50.3 percent, increasing by 2 percent as compared with the previous year.

Last May, the provincial party committee launched a campaign to crack down hard on gangs of criminals, the abduction of women and children, and "train and road bandits," and strictly enforce the ban on prostitution. The provincial court promptly worked out special plans in regard to the targets, methods, steps, and specific measures of the crackdown. Courts at all levels swung into immediate action; some courts set up special leading groups and 47 courts appointed 162 additional judges to reinforce their manpower. The broad ranks of cadres and policemen worked overtime to handle the numerous indictments resulting from the drive against crimes. In



regard to vicious cases that pose a great harm to society and which the people detest most, the courts concerned moved them up and assigned personnel to try them quickly, render severe sentences, and give them wide publicity, thus effectively curbing the arrogance of criminals. 2. **Severely Punish Serious Economic Crimes and Implement the Anticorruption Drive.**

Courts in Zhejiang underwent two phases in their handling of economic crimes last year. In contrary with the rampant economic crimes in society, the number of economic crime cases in the first half of 1993 dropped by 42.3 percent from the same 1992 period. In the second half, pursuant with a directive of the CPC Central Committee calling for stepped-up efforts in investigating and prosecuting a number of major cases, courts and procuratorial and judicial organs in the province redoubled efforts in trying economic crime cases. A meeting of presidents of intermediate courts sponsored by the provincial court last August called for firmly cracking down particularly hard on state functionaries in party and government organs, judicial organs, law-enforcing administrative departments, and departments in charge of economic administration who take advantage of their positions to embezzle, take bribes, and misappropriate public funds. The meeting also called for firmly cracking down on crimes such as production and sale of fake and shoddy goods, smuggling, sale of contraband goods, fraud, tax evasion, and refusal to pay tax. The meeting urged leadership of courts at all levels to take personal charge of trials involving major cases, step up supervision and guidance, and establish a system of recording and reporting major cases. On two occasions in September and November, the provincial court outlined plans for speeding up trials involving embezzlement and bribery, notifying the courts concerned about cases already indicted or soon to be indicted by the procuratorial organs. Courts throughout the province earnestly implemented the meeting's guidelines. Many courts also set up collegial panels or designated backbone cadres to take exclusive charge of the trials. By the end of last year, the province completed proceedings at first instance of 2,602 cases; of them, the number of cases completed and criminals sentenced in the second half of 1993 rose 55.4 and 42.5 percent, respectively, over the first half.

From the economic criminals tried last year, we can see that there were several characteristics: First, state workers of party, government, judicial, administrative, and law enforcement organs—354 in total—accounted for 10 percent of these criminals, which is quite high. Second, many cases involved large amounts of money—198 criminals had illegal gains of more than 30,000 yuan, of which 71 gained more than 100,000 yuan—and some cases were the first ones of their kind in Zhejiang. Third, cases involving manufacturing and selling fake and shoddy products and counterfeiting trade marks increased—84 persons were sentenced for committing such crimes. Fourth, criminals given heavy sentences increased—279 persons, 22.9 percent more than the previous year, were sentenced to 10 years or more in

prison, of which 13 were sentenced to death and 28 were given a temporary suspension of their death sentences. The severe punishment for serious economic criminals indicates the party and state's firm determination to fight corruption; it helped maintain the economic order and lift people's spirits. 3. **Forcefully Stepped Up Economic Trial To Improve Macroeconomic Regulation and Control and To Advance the Market Economy**

Last year, the number of cases involving economic disputes increased sharply. There were many cases in which lawsuits involved several million yuan or tens of millions of yuan, and in which enterprises involved were on the verge of bankruptcy because they were unable to collect due payments. Cases involving disputes over purchase and marketing contracts increased noticeably, and cases with new characteristics also increased. To meet the needs of developing the market economy, courts across the province regarded the trial of economic cases as important work—they strengthened leadership, adjusted trial personnel, enhanced their trying capabilities, made trial process more regularized, and strived to improve the quality and efficiency of case handling. Last year, we handled and closed 42,902 cases involving economic disputes after the first trial and settled disputes involving a total of 2.9 billion yuan, respectively 23.2 percent and 151.5 percent more than the previous year.

Courts at all levels conducted trials of economic cases, closely revolving around strengthening macroeconomic regulation and control, deepening reform of the economic system, and developing the socialist market economy. In addition to handling more cases properly and efficiently, they endeavored to expand their services and offered to serve economic construction and to solve problems for enterprises. They took positive measures to support efforts to straighten out the financial order and offered to collect overdue loans for creditors. They went to financial departments to understand the actual situations and then drew up appropriate measures—writing letters to urge debtors to pay or sending people to debtors to persuade them to pay—to collect overdue loans. By taking these measures, they collected 563 million yuan of overdue loans, relaxing some financial department's shortages of funds. They also provided more services to help enterprises free themselves from predicaments. Many courts did not wait for cases to be referred to them; instead, they took the initiative in understanding enterprises' operations through economic judicial liaison officers or by sending someone to enterprises concerned. They did their best to provide legal assistance to enterprises with difficulties. Courts at all levels also established economic disputes mediation centers. According to the guidelines of the 16th national conference of court presidents, eight intermediate courts and 59 grass-roots courts in the province established economic disputes mediation centers. Following the principle of being "voluntary, fair, legal, and efficient," these mediation centers settled 4,145 economic disputes cases and settled disputes involving 330 million yuan. It took an average of

13 days to settle a case—some cases were settled on the same day—keeping pace with the quick step of market economic development and winning concerned parties' welcome.

While the old system is being transformed into a new one, cases involving bankruptcy, company shares, credit cards, futures trade, and other new problems continued to crop up. Sometimes there were no laws for trying such cases or the laws are not specific enough, making trial work very difficult. Courts handling such cases insisted on the principle of seeking truth from facts, boldly sought new ways of practice, and conducted trial work prudently and in accordance with the civil procedural law, enabling them to achieve good social results.

#### **4. Carried Out Various Judicial Work in an All-Round Manner and Gave Full Play to the Regulatory Function of the Law.**

The trials of civil lawsuits are closely related to the production and lives of the masses. Civil litigations surpass all other lawsuits in terms of the number of cases, number of categories, and scope of work. Following the continual deepening of reform and opening up to the outside world, civil contacts have become increasingly extensive, giving rise to a constant increase in new kinds of civil lawsuits directly linked to the market economy such as labor disputes and labor remuneration and copyright cases. Last year we accepted and heard 575 cases under these three categories. The vast number of judicial personnel handling civil cases persisted in doing meticulous work, emphasizing mediation, and properly handling cases, regardless of whether they belonged to the major categories of marriage, debts, and compensatory damages, or to the new categories. Last year we concluded 63,634 civil cases during their first trial, 49.6 percent of which were settled through mediation, playing an active role in protecting the legitimate rights and interests of citizens and legal persons in accordance with the law, maintaining social stability and unity, and promoting spiritual and material civilization.

Last year, under the situation of a decreasing number of administrative cases closed and growing difficulty in trying cases, courts at all levels overcame the fear for difficulty, held off various interferences, and persisted in handling cases in accordance with the law to settle 1,270 administrative cases. Administrative organs' punitive decisions were upheld in 354 cases, or 27.9 percent of the total, and annulled or revised in 220 cases, or 17.3 percent; nolle prosequi took place in 602 cases, or 47.4 percent; the suitor's claim was rejected and the trial terminated in 94 cases, or 7.4 percent. As such, we not only protected the legitimate rights and interests of citizens, legal persons, and other organizations in accordance with the law, but also supported administrative organs in exercising their functions and powers. In our work, we laid stress on administrative cases involving infringement upon enterprises' property rights and operational and management powers, land, and urban planning, concluding a total of 306 cases under these four

categories. Through the administration of justice in accordance with the law, we promoted the transformation of enterprise operating mechanisms and safeguarded the smooth progress of old town reconstructions and development zone constructions at various localities.

In the first year after its establishment, the Ningbo Admiralty Court developed the spirit of building an undertaking through arduous effort, made bold attempts, and enthusiastically carried out judicial work. It accepted and heard 103 maritime cases of various kinds, and concluded 78 of them. It put an end to the history that maritime cases taking place in the Zhejiang waters had to be referred to courts outside the province, and is playing an active role in helping develop our maritime transportation, fishery production, and foreign trade.

Over the past year, courts in Zhejiang at all levels actively participated in the overall improvement of public security and order through conducting trials. In focusing on open trials to promote the awareness of the legal system, the courts held 504 public sentencing meetings at which 3,441 people were given sentences. To achieve a better effect, the courts used the media to explain the laws involved in each case. A total of 2,075 people were given probation, but their behavior was routinely checked to enforce their disciplinary control. We actively launched a suggestion campaign. A total of 1,058 suggestions concerning judicial affairs were passed to the relevant departments. Of these, 70 percent were adopted. As a result, we achieved fairly good social effects. We attached great importance to out-of-court settlements and succeeded in preventing from happening more than 1,700 possible suicides, murders, and fighting caused by civil disputes. 5. Uphold the Principle of Tightening Law Enforcement and Increasing the Level of Judicial Work

Tightening law enforcement is the state's fundamental requirement for judicial work. It is also a matter of great concern for the people. In their trial work, courts at all levels persisted in handling their affairs strictly in accordance with the law, and they strived to improve the quality of their case handling. The courts tried to improve the quality, efficiency, and social effects of their work. First, they persisted in holding public trials and in improving the quality of trial work. They paid great attention to three important links in trial work: investigation, cross-examination, and debate. They attached importance to evidence provided by the parties concerned and brought into full play the role of the collegial bench. Second, they strengthened trial supervision and work guidance. If appeals were rational, trial corrections were rendered in a timely fashion. Last year, 272 past legal cases were given retrials. A total of 84 cases appealed by procuratorial organizations were handled. Of these, 27 cases were given a retrial. Third, they began to experiment with a system in which persons responsible for wrong cases should be uncovered and punished. Four intermediate courts and 44 grass-roots courts have



already established such a system. Cadres and police who were responsible for wrong cases were given suitable punishments. This measure helped judges to foster a serious and conscientious trial work style and to enhance their sense of responsibility. Fourth, the courts explored ways to improve trial work. In conducting trials of economic and civil cases, the courts emphasized the relevant parties' responsibility for providing evidence. The courts introduced a standardized trial system in which all cases will be handled promptly. After summing up trial experiences gained by localities, the provincial people's courts have already formulated standardized regulations concerning the trials for economic cases. Such regulations—which concern standards of quality, trial procedures, detailed regulations for convening a court, and evidence provided by the parties concerned—played a fairly important role in improving the level of trials.

Second, they strengthened the training of cadres and took steps to improve the professional skills of trial personnel. In recent years, new laws and regulations have been promulgated one after another, and new developments and problems have popped up in trials. In addition, some comrades who became court presidents following last year's expiration of terms were unfamiliar with the practice of their professional work. In light of this, courts at all levels stepped up their training, held seminars to familiarize them with their jobs, and sponsored meetings to exchange trial experience. Provincial courts sponsored training classes for presiding judges of criminal, civil, and appeal courts and organized two-month-long in-service training sessions for 25 grass-roots court presidents. These training and job-related activities have helped improve the ability of key members of the trial cadres to resolve problems and have played a positive role in raising judicial standards and ensuring good qualities in handling cases.

Third, they earnestly carried out the struggle against corruption. Emphasis was placed on court leaders' taking the lead in maintaining honesty and exercising self-discipline and on establishing a system for leading cadres to take responsibility in building party style. At the same time, vigorous efforts were made to carry out the following two tasks. First, efforts were made to resolutely stop the unhealthy practice of using judicial authority to wantonly collect fees under all sorts of names. Court offices which caused confusion in terms of judicial and administrative powers were abrogated. Second, a general inspection on law and discipline enforcement, with a special emphasis on corruption, was launched. Various methods were adopted—including internal investigations, soliciting views from the departments concerned, and studying cases with a clear objective in mind—to find out whether there were abuses of power for personal gain and unfair verdicts. The general inspection showed that the overwhelming majority of cadres and police officers had faithfully enforced the law. The courts concerned dealt sternly with 27 cases of the violation of

law and discipline discovered in the course of inspections. The courts used these violations as negative examples to educate cadres and police officers and as warning to them. This has promoted honest and clean government.

There were still many problems and difficulties in our work during the past year. The main problems and difficulties were as follows: First, the thinking and awareness of the cadres and police officers fell behind political and economic developments. A few of them were not very conscientious about serving economic construction. Old ideas formed over a long period in a planned economy still exerted influences to varying degrees. There were still instances of approaching cases in isolation without paying attention to their social effect. Second, there were still instances of a failure to enforce the law strictly. A small number of cases were handled poorly, and some cases were not handled strictly according to legal procedures. Some cases were not handled within the prescribed time, and some major cases were not handled promptly. As a result, the social effects of these cases were decreased. There were also instances of a lack of strong measures against serious criminal elements in trial procedures. Third, the environment for law enforcement was not quite satisfactory. Some cadres were partial to and pleaded for mercy for one party. Some even used their authority to override the law and interfere in trials. Because of strong local protectionism, cases involving people outside the locality were difficult to handle; and the execution of court judgments was even more difficult. Little progress was made in the trial of administrative cases; the number of cases concluded dropped 11 percent compared to the previous year. Fourth, there were too many cases and very few personnel to handle them. Equipment was obsolete, and many courts experienced shortages of funds to handle cases. This affected the smooth progress of trials. The provincial court lacked the in-depth investigation and study of new developments and characteristics emerging in the new situation. It also failed to give prompt guidance and to exercise effective supervision over trials. It lacked solutions to certain problems. We are adopting measures to vigorously solve all these problems and difficulties, and we have asked the provincial people's congress and its standing committee to give us their support and to urge the departments concerned to help solve them.

The execution of court judgments is an important part of strictly enforcing the law. To effectively protect citizens' lawful rights and to maintain the authority of court verdicts and the solemn nature of the law, people's courts at various levels paid attention to executing court verdicts. They overcame and resisted local protectionism and made efforts to execute court verdicts in a civilized manner in various ways by integrating routine efforts with special efforts to carry out court orders and by entrusting the departments concerned to execute court verdicts. During the past year, various people's courts executed a total of 43,123 cases of verdicts of

various types, and the number of cases not yet executed decreased by 11.4 percent compared to the previous year. To solve the problem of "difficulties in executing court orders," the provincial higher court seriously studied and formulated "opinions on solving some specific problems in the execution of court verdicts," "rules for the implementation of court verdicts," and "opinions on how to reach desired goals in executing court verdicts" to guide and promote the execution of court decisions by people's courts at the lower level.

In the second half of last year, people's courts at various levels adopted a serious attitude in voluntarily accepting evaluations and comments from people's deputies in accordance with the circular issued by the standing committee of the provincial people's congress on evaluating judicial work. Various people's courts made full preparations beforehand for accepting evaluations from people's deputies. While carrying out self-checks, various people's courts heard opinions and suggestions on court work from peoples from various circles of society by visiting people or by inviting people to express their opinions and suggestions. Fifty-two people's courts sent letters to solicit opinions from 9,359 people's deputies at various levels; 61 people's courts invited 4,248 people's deputies and supervisors of the honesty of government work and members of the Chinese People's Political Consultative Conference to take part in discussions at courts; and 74 people's courts went deep into villages and towns to solicit opinions. Concerned courts conducted investigations one by one on opinions and criticisms made by people's deputies and seriously studied ways to make improvements. Through these activities, the broad masses of cadres and judicial policemen of various courts have further understood that commenting on and evaluating judicial work is an effective way for the courts to accept supervision from the people's congresses and also an important way to gain the understanding of people's deputies and to ensure the strict enforcement of the law. 6. Lay Stress on Opposing Corruption and Advocating Honesty in Performing Official Duties, Strengthen the Building of People's Courts

Over the past year, people's courts at various levels paid attention to the building of judicial workers while attaching importance to adjudicatory work. People's courts strived to raise the political and professional quality of judicial workers to guarantee the accomplishment of various adjudicatory tasks.

First, various people's courts have attached importance to study and education for judicial cadres and policemen to raise their political quality. In light of the problem of ideological understanding in the transitional period from the old system to the new system and the change of relations concerning material interests in the new period, various people's courts have strengthened education and guidance for cadres and policemen. Judicial cadres and policemen were organized to study the basic theory of Marxism, Volume 3 of the "Selected Works of Deng Xiaoping," and the guidelines of the Third Plenary

Session of the 14th CPC Central Committee. The people's courts armed cadres and policemen with the theory of building socialism with Chinese characteristics to raise their consciousness of implementing the party's basic line. Various courts also conducted education on ideals, moral principles, and discipline, and they encouraged cadres and policemen to carry forward the spirit of dedication. The overwhelming majority of cadres and policemen have been honest in performing their official duties and have strived to make improvements. A large number of advanced units and individuals who adhere to principles and who enforce the law justly have emerged. In 1993, 71 collectives and 153 individuals won praise and received awards. Of these, the Zhouquan People's Court in Tongxiang city was accorded a collective merit first class by the Supreme People's Court, and Deputy Presiding Judge Dong Youquan of the economic affairs court of the Shaoxing County People's Court and staff member Li Yuanqing of the Jinhua Intermediate People's Court archives were named national models for court workers.

The Third Plenary Session of the 14th CPC Central Committee proposed to preliminarily establish the socialist market economy by the end of this century. This is a crucial year for pushing through overall progress and attaining key breakthroughs in economic restructuring. Now we are faced with arduous tasks in maintaining public security. As the state's judicial organ, the people's courts will shoulder heavier tasks and greater responsibilities. In accordance with the guidelines of the ninth provincial party congress and the national conference of higher court presidents, the guiding ideology for judicial work throughout the province this year is: To use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guidelines of the Third Plenary Session of the 14th CPC Central Committee as a guide; to hold court trials comprehensively and uphold the principle of striking severely at large and major crimes; to vigorously use judicial means to regulate relations between various economic sectors; to strengthen self-construction; to uphold strict and just law enforcement; to strive to improve judicial standards; as well as to provide legal support and services to the overall task of "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability." Thus, we will focus on carrying out the following work:

First, it is necessary to strengthen the functions of dictatorship, to punish resolutely and strictly in accordance with the law criminals who endanger national security, and to uphold the principle of punishing serious criminal offenders severely and promptly. To further carry on last year's work in strictly cracking down on crimes, it is necessary to strike at the crimes of murder, robbery, rape, gangsterism, drug trafficking, and kidnapping and selling women and children, particularly the crimes of secret gangster organizations. Further, we must crack down on prominent crimes in accordance with the characteristics of localities. Courts should actively coordinate with the relevant departments to effectively curb



and rectify special crimes. It is necessary to quicken the pace of case handling, trials, and handing down sentences to uphold the courts' authority in curbing crimes and to widen the social effects of the courts' work. While striking severely at crimes, it is necessary to actively participate in the comprehensive rectification of public order, as well as to bring into further play the courts' role in holding public trials, offering suggestions in judicial matters, publicizing the legal system, and offering guidance and arbitration.

Second, it is necessary to continue to crack down severely on serious economic crimes to promote a clean government. We must do a good job of holding trials for major economic crimes. We must strictly crack down on state personnel who use their powers for corruption, bribery, and to embezzle public funds. We must resolutely curb the crimes of smuggling, swindling, producing and selling fake and inferior-quality goods, and tax evasion. Court leaders must personally handle major cases uncovered during the anticorruption struggle and attend to them seriously once trials are held. It is necessary to be determined, careful, and accurate in handing down strict punishments in accordance with the law. We must resolutely mete out heavy or death sentences when essential. It is necessary to publicize typical cases that generally concern and affect society by holding open trials, passing sentences in public, or holding news conferences to widen the social effects of cases' handling by the courts.

Third, We Should Further Consolidate and Regulate Courts' Functions To Advance the Development of the Socialist Market Economy. This year, the reform of the economic system will accelerate; therefore, all courts should make full use of judicial means to help nurture and develop the market system. We should seriously enforce the "Economic Contract Law," the "Company Law," the "Law on Protecting Consumers' Rights and Interests," and the "Law on Unfair Competition," to ensure open, fair, and orderly competition and to prohibit unfair competition. We should enthusiastically handle and properly settle cases involving financial management, resources exploitation, tax levying and management, and price management, to ensure that reform is carried out smoothly. By trying cases involving problems coming up in the course of transforming enterprises' operating mechanisms, we should safeguard enterprises' rights to operate and manage their own operations and should uphold enterprises' internal contract responsibility system on business management so that enterprises can truly be independent economic entities and be major players in market competition. We should properly try cases involving village and town enterprises' contract disputes over production and business operation matters to advance the development of village and town enterprises. At the same time, we should try carefully and properly cases involving bankruptcy, company shares, futures trading, and other new problems which come up while reform is being deepened, as well as cases involving matters concerning

foreign countries, Hong Kong, Macao, and Taiwan, in order to create a good legal environment for deepening reform and opening up to the outside world.

Fourth, We Should Tighten Supervision Over Trial Cases To Uphold the Dignity of the Law. Currently, courts' trial work is quite seriously disturbed by regional and departmental protectionism—trials in a small number of cases have dragged on, and court rulings were unfair. So, we must further emphasize the need to strictly enforce the law, to tighten supervision over trial work, and to enhance trial discipline. In addition to carrying out education in adhering to the goal of wholeheartedly serving the people and to stepping up vocational training, we should improve the supervision and inhibition mechanisms, continue on a trial basis the system of investigating wrongly ruled cases, and affix administrative and legal responsibility for persons handling cases illegally. We should decidedly correct unfair rulings and wrongful law enforcement. At the same time, we should further strengthen law enforcement, reinforce and better equip our law-enforcement personnel, decidedly get over the disturbance of regional protectionism, emphasize enforcing the law in a civilized manner, and uphold the seriousness of the law. Fifth, We Should Deepen Court Reform and Improve Court Work. First, we should step up the study of political theory, especially Volume 3 of the "Selected Works of Deng Xiaoping" and the decision of the Third Plenary Session of the 14th CPC Central Committee; further emancipate our minds; change the way we think; and enhance our resolution and self-consciousness in carrying out the party's basic line and the policy of developing a socialist market economy. Second, we should carry out the anticorruption struggle in depth and make constant efforts to promote administrative honesty, in order to enable cadres and policemen to withstand the trials and pounding of the commodity economy. Third, we should build up our leading bodies, improve administrative work, and strictly manage the courts. At the same time, we should actively seek ways to reform our trial procedures—in trying civil and economic cases, we should emphasize the concerned parties' responsibility in testifying. We also should improve courts' trial capabilities, improve case-handling efficiency, ensure that all cases are handled properly, and continue to build up the civil and economic divisions and to improve these divisions' material conditions, in order to carry out heavy trial work. Sixth, We Should Be More Party-Minded and Should Self-Consciously Subject Ourselves to the Supervision of the People's Congresses. Relying closely on the party's leadership and the masses and self-consciously subjecting ourselves to the supervision of the people's congresses are the fundamental assurance for the people's courts to properly conduct their trial work. Courts at all levels should voluntarily and in a timely manner submit reports to the party committee and the people's congress in charge concerning their work plans and new situations and problems in their work, and they should suggest ways to deal with these new situations and problems. They should follow the party committees' instructions and subject

themselves to the supervision of their people's congress. They should resolutely carry out relevant resolutions adopted by their people's congress and its standing committee and handle earnestly and in a responsible manner matters committed to them by their people's congress and its standing committee. At the same time, they should subject themselves to procuratorial organs' legal supervision and the media's supervision so that they can continue to improve their trial work.

### Central-South Region

#### Guangdong Secretary Addresses Propaganda Meeting

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[By Xin Wenchu (6580 2429 0443): "Guangdong Provincial Party Secretary Xie Fei Delivers Important Speech at Provincial Propaganda and Ideological Work Meeting; Stresses Need To Use Scientific Theories To Arm Cadres, Attach Importance To Grasp Education of Teenagers, and Improve and Strengthen Propaganda Mechanism"]

[Text] The Guangdong Provincial CPC Committee held the Guangdong Provincial Propaganda and Ideological Work Meeting in Guangzhou yesterday. Xie Fei, CPC Central Committee Political Bureau member and secretary of the Guangdong Provincial CPC Committee, delivered an important speech at the meeting. Propaganda and ideological work, he pointed out with emphasis, has always been an important aspect of the party's work and is an important channel for implementing the party's policies and principles, uniting the ideology of the whole party and the people of the whole country, and realizing party leadership. Propaganda and ideological work play an important role in uniting, mobilizing, and encouraging the people of Guangdong to strive to basically realize the magnificent goal of modernization in Guangdong within 20 years. Party committees and governments at all levels, various trades and professions, and various units should attach great importance to doing a good job in the propaganda and ideological work in the new period and should make greater achievements in this respect.

The meeting was held in the provincial party committee auditorium yesterday morning. Zhang Guoying, deputy secretary of the provincial party committee, chaired the meeting. Provincial Governor Zhu Senlin, and Huang Hua, deputy secretary of the provincial party committee, also made important speeches. Wang Zongchun, Yao Siren, Zhang Hanqing, Li Lanfang, and Huang Hao also attended the meeting.

Xie Fei's speech was divided into four parts: 1) attach importance to and strengthen propaganda and ideological work; 2) educate the broad masses of cadres and party members with the theory of building socialism with Chinese characteristics; 3) do a good job in giving

guidance to public opinion; and 4) properly grasp the building of basic engineering in propaganda and ideological work.

The great practice of establishing the socialist market economy structure and developing the socialist productive forces with great efforts, Xie Fei pointed out, have provided a new impetus and favorable opportunity, putting forward even more important tasks for, and higher demands on, propaganda and ideological work. Propaganda and ideological work are faced with even more arduous tasks. The establishment of the socialist market economy structure urgently demands that propaganda and ideological work create a public opinion environment of enthusiastically forging ahead.

Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, Xie Fei stressed in his speech, is contemporary Marxism in China. Since Comrade Deng Xiaoping made his important remarks during his inspection tour of the south in 1992, tremendous changes have taken place in the society, economy, and the people's mental attitude in our province. This is inseparable from the fact that various localities in our province have seriously organized the study of the theory of building socialism with Chinese characteristics. The establishment of the socialist market economy structure, the further liberation and development of the productive forces, and the speeding up of socialist modernization have put forward new and higher demands on our theoretical level, our level of understanding of policies, and our work ability. To meet the needs of such demands we must have a thorough understanding of the theory of building socialism with Chinese characteristics and be able to use it skillfully in practice. Leading cadres at all levels should, despite their heavy workloads, consciously find time for studying theories and should strive to improve their own ideological and political quality and to raise their theoretical level. They should be determined to get away from and reduce unnecessary social intercourse and should, in light of major issues of the reform and development of their respective localities and departments, concentrate their minds on the study of theories, read more books, ponder on problems, skillfully use scientific theories as guidance to solve problems in practice, and strive to raise their level in the art of leadership and other kinds of work. In studying the theory of building socialism with Chinese characteristics at present, we should mainly study the third volume of "The Selected Works of Deng Xiaoping." In our study, we should pay attention to properly settling the following issues: 1) firmly grasp the essence of the emancipation of the mind and seeking truth from facts and establish the Marxist world outlook and methodology; 2) guide the broad masses of party members and cadres to seriously sum up the experience in reform and opening up in the past 15 years and strengthen the faith in taking the road of building socialism with Chinese characteristics under the party's leadership; 3) strive to improve the ability to lead and control the socialist market economy; and 4. improve study methods, widen channels of study, and uphold the style of study of linking theory with practice.



Adhering to a correct public opinion guidance is to adhere to the party's basic line, properly propagandize the party's line, policies, and principles, and strive to arouse the enthusiasm and creativity of the masses and to guide them toward the realization of modernization, said Xie Fei. Our public opinion should be conducive to: Furthering reform and opening up, the establishment of the socialist market economy structure, and the development of the social productive forces; encouraging and urging the people to do arduous pioneering work and to blaze new trails in making the country prosper, the people happy, and the society progressive; helping the people distinguish right from wrong, to uphold the true, the good, and the beautiful, and to resist the false, the ugly, and the vicious; and conducive to the unity of the country, the solidarity of the nation, the easing of the minds of the people, and the social and political stability.

To adhere to a correct public opinion guidance, Xie Fei pointed out, it is necessary to correctly handle three kinds of relationship: That between the wealthiness of contents and liveness in form—the two should be integrated; and that between positive propaganda and negative exposure—uphold the principle of unity, stability, arousing enthusiasm, and taking positive propaganda as the dominant factor, while exposing and criticizing things on the negative and dark side of the society and giving play to the role of supervision with public opinion but it is necessary to seek truth from facts, have a sense of propriety, take social effects into consideration, and pay attention to effects at home and abroad; and the relationship between social effects and economic effects. We must properly grasp a crucial point and that is, improvement of the quality of the journalist contingent.

To properly grasp basic engineering in propaganda and ideological work, emphasized Xie Fei, at present it is necessary to concentrate our efforts on properly grasping four aspects of work. The first is to grasp the foundation, that is, it is necessary to properly grasp the foundation of education for teenagers. Teenagers are the future and hope of the motherland and efforts should be made to properly grasp education and training for them and to develop them into a new generation of people with ideals, ethics, culture, and a sense of discipline. The second is to grasp the grass roots. Propaganda, ideological, and cultural departments at all levels should place the focal point of their work at the grass roots. It is necessary to carry out propaganda and ideological work and the building of spiritual civilization in the grass roots and to give full play to various kinds of organizational role for grass-roots party branches as a powerful fighting force. It is necessary to carry out in the grass roots various kinds of activities which are healthy and progressive in content, vivid and lively in form, and attractive to the masses and the contents of propaganda and education should be merged with such activities to silently exert a subtle influence. The third is to grasp the position. The construction of hardware for propaganda, culture, and spiritual civilization is the material basis for improving the quality of ideology and ethics and the

quality of science and culture of human beings. It is also one of the marks indicating whether or not a locality is "grasping with both hands" and "grasping hard with both hands" and indicating the level of economic and social development of that locality. Various localities should include the "hardware" of propaganda and cultural undertakings into the overall plan for economic and social development and into the government annual financial spending budget and gradually increase the percentage of investment. The fourth is to grasp the mechanism. It is necessary to sum up the successful experience of various localities in our province since reform and opening up began, to meet the new demands of the development of the socialist market economy, and to further form, improve, and consolidate the following mechanisms: The switch-on and guarantee mechanism enabling party committees to strengthen leadership, governments to pay attention, and various quarters to participate; the mechanism enabling the comprehensive use of administrative, economic, and legal means to carry out management, regulation, and control; and the mechanism enabling the masses to govern and discipline themselves, to educate themselves, and to keep themselves within bounds.

Party committees at all levels should really undertake their responsibilities and earnestly strengthen leadership over propaganda and ideological work, Xie Fei pointed out emphatically. First, party committees at all levels should strengthen guidance and coordination in propaganda and ideological work, regularly study and analyze the ideological trends of various social strata, determine the policy, major tasks, and focal points of propaganda and ideological work in different periods, and give guidance to propaganda departments and help them discuss and grasp major matters and carry out their work in a down-to-earth manner. Second, party committees and governments at all levels should give support to the development of propaganda and cultural undertakings in terms of financial and material resources. They must implement the instruction by the central authorities that "taxes and profits handed over to the state by the propaganda and cultural system should, in principle, be returned to the system and should be used for the development of propaganda and cultural undertakings." Third, it is necessary to strengthen the building of the contingent of propaganda and ideological workers. It is necessary to show concern for their politics, ideology, work, and livelihood, give full play to their role, and constantly improve their quality.

The tremendous achievements made in economic construction and other aspects in our province since the beginning of reform and opening up cannot be separated from the hard work of the broad masses of propaganda and ideological workers, Zhu Senlin pointed out in his speech. The new situation has put forward new tasks for, and new demands on, propaganda and ideological work and propaganda and ideological departments have undertaken even more important historical missions. Under the condition of the socialist market economy,

these departments should enthusiastically explore ways and means to do a better job in propaganda and ideological work, carry out their work in a creative manner, and better serve the reform, opening up, and economic construction of the whole province. They should, in accordance with the general goal and demand of basically realizing modernization in Guangdong within 20 years, make great efforts to developing flourishing propaganda and cultural undertakings. Governments at all levels should attach importance and give support to propaganda and ideological work, let the propaganda and ideological department know about the situation in good time, and try their best to provide better conditions for propaganda and ideological work so that it can produce greater benefits. They should include the building of propaganda and cultural undertakings into the general plan for the local economy and society, make overall arrangements, and construct in a planned way a number of relatively modern propaganda and cultural facilities which are in keeping with the economic development. They should, with the economic development, appropriately increase input into propaganda and cultural undertakings and resolutely implement an economic policy to support the propaganda and cultural undertakings. They should continue to encourage various social quarters to run propaganda and cultural undertakings and give them support in this respect. They should grasp prosperity in one hand and management with the other and make great efforts to straighten out problems existing in the cultural market. They should attach importance to improving the working and living conditions of the broad masses of cadres and workers in the propaganda and cultural systems.

Huang Hua relayed at the meeting the guidelines of the national propaganda and ideological work meeting and put forward views on the implementation of such guidelines. To implement the guidelines of the national propaganda and ideological work meeting, he stressed, we must link them with the reality of Guangdong, grasp the key points and, in particular, make great efforts "to arm the people with scientific theories, to guide the people with correct public opinion, to portray the people with noble spirit, and to encourage the people with fine works." We must formulate plans, grasp typical examples, improve work methods, provide better services on our own initiative, earnestly do a better job in all kinds of work, and strive to attain good results. We must, Huang Hua added, earnestly strengthen the building of the contingent of propaganda and ideological workers, constantly improve their quality, and further inspire their enthusiasm to make the country prosperous, to forge ahead, and to make new contributions to opening up a new situation in the propaganda and ideological work in our province and to basically realize modernization in Guangdong within 20 years.

Also attending the meeting were deputy secretaries in charge of propaganda and ideological work from party committees in cities at the prefectural level, heads of propaganda departments of party committees of various

cities and counties (districts), chief editors of party committee official newspapers from various cities, persons in charge of various departments and bureaus of the propaganda system directly under the provincial party committee, persons in charge of ideological work of units concerned directly under the provincial party committee, heads of propaganda departments central authority units concerned in Guangzhou, and representatives attending the provincial external propaganda work meeting, the provincial meeting of directors of cultural bureaus of cities, the provincial meeting of directors of radio and television bureaus of cities, and the Guangzhou City propaganda and ideological work meeting, totaling nearly 1,000 people.

#### Guangzhou Welcomes Foreign Investment in Real Estate

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in English 1230 GMT 2 May 94

[Text] Guangzhou, May 2 (CNS)—Mayor of Guangzhou, Mr. Li Ziliu, told the press yesterday that real estate in the capital of Guangdong Province was developing in a healthy way and there was much room for foreign investment in this sector. Mr. Li said he hoped that foreign investors would not slow their pace of investment in this industry.

Mr. Li pointed out that the real estate market in the city last year, owing to the macro control and adjustment as well as the implementation of the value added tax, had seen a slump for a certain time, but its transactions had not suffered from a big fluctuation with the floor area of newly completed commodity housing for the year being put at 3.7 million square metres, 50 percent up over the year before and that of its sales exceeding 2 million square metres, earning RMB [Renminbi] 4.8 billion, over 60 percent up.

The mayor said that development of the real estate industry in the city last year was on the whole good and healthy and, being situated near Hong Kong and Macao, office buildings, factory buildings and residential blocks in Guangzhou all were in great demand and the city was considered a keen place for making investment in this industry by both domestic and foreign businessmen. In addition, with the raising of the living standard, residents' purchasing ability for residential property would also be enhanced, offering powerful support to the development of this industry.

Mr. Li pointed out that Guangzhou would develop into an international megalopolis within 15 years and its urban area would be enlarged by 2.7 times. The city would launch a number of construction projects including transformation of the old urban area, underground railways projects and residential building projects and legislation on the real estate industry in the city had been improving, creating good conditions for foreign investment in this sector there.



**Hainan Official Addresses Anticrime Meeting**

*HK0205115394 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 27 Apr 94*

[Text] In the hall of the provincial party committee building yesterday afternoon [27 April] the provincial party committee held a mobilization meeting on maintaining stability and striking severe blows at crime. In attendance were Du Qinglin; Wang Xueping; (Zhong Chen); Wei Zefang; (Li Mingxian); (Wu Fengnong); Tian Zhongmu, president of the provincial higher people's court; Qin Xingmin, chief procurator of the provincial procuratorate; and provincial department and bureau directors; secretaries of city and county party committees; mayors and county magistrates; and secretaries of commissions on politics and law. The meeting was presided over by Vice Governor Wang Xueping, member of the provincial party committee standing committee. Governor Du Qinglin [title as heard], deputy secretary of the provincial party committee, made an important speech at the meeting.

Du Qinglin pointed out: Since the beginning of this year, party committees and governments at all levels in the province have achieved very great results in conscientiously implementing the basic policies set out by the party Central committee for the work of the whole party and nation, and in upholding the principle of doing two types of work simultaneously while attaching importance to both. Nevertheless, while the situation was fine, there still were factors affecting our province's political stability and social tranquility, the public security situation remained grim, and the incidence of major and [words indistinct] cases rose. The existence and spread of these destabilizing factors will affect and hinder the smooth progress of reform and opening up to the outside world, as well as economic construction. Therefore, party committees and governments at all levels should pay close attention to safeguarding stability as an important task at present; place it in an important position; uphold the strategic principle of doing two types of work simultaneously while attaching importance to both; and carry out the task of safeguarding stability and the struggle against various crimes, right down to the various aspects and strata of society, so as to develop a situation in which the whole party and society make joint efforts to manage social order and in which the broad masses of people take an active role in managing social order. Principal party and government leaders should take command personally, and party committees and governments at all levels should strengthen unified command and concentrate human, material, and financial resources, as we did in the case of severely cracking down on criminal activities in 1983; firmly implement the principle of punishing criminals sternly, promptly, and according to the law so as to destroy the criminals' overweening arrogance; implement the various measures for the comprehensive management of social order; uphold the principle of simultaneously solving and preventing crimes and taking both radical and stopgap measures, with the stress on the management of social

order; and reduce or eliminate destabilizing factors and symptoms of law violations and crime once and for all.

**Henan Meeting Held To Commend Model Workers**

*HK0205115494 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 27 Apr 94*

[Excerpts] The provincial meeting to commend model workers was held solemnly in the provincial people's hall on the morning of 27 April. [passage omitted]

Present were provincial leaders, including Li Changchun, Ren Keli, Song Zhaosu, Lin Yinghai, Wu Guangxian, Song Guochen, (Zhang Dehuang), Fan Qinchun, (Ma Jianzhang), Zhang Wenbin, (Hou Jingxu), Li Chengyu, Yu Jiahua, Liu Yujie, Tu Jiaju, Yao Ruxue, Mei Yangzheng, (Wang Quanshu), and (Lu Maosheng). [passage omitted]

Vice Governor Li Chengyu read out the decision of the Henan Provincial People's Government on commending model workers. [passage omitted]

After the namelist of model workers was read out, provincial leaders distributed awards to the representatives of model workers. One thousand model workers were cited at the meeting. [passage omitted]

Provincial party Secretary Li Changchun delivered an important speech. [passage omitted]

Li Changchun said: The provincial party committee and government called on the people throughout the province to learn from the model workers cited by the current meeting and from the advanced figures who have continuously emerged on every front of endeavor, base themselves on their jobs, learn from and catch up with the advanced, strive to achieve first-rate accomplishments, and make greater fresh contributions for new victories in this year's reform and modernization and for the realization of the magnificent goal of forging ahead in unity to rejuvenate Henan's economy. [passage omitted]

**North Region****Tianjin Secretary Views Technological Development**

*SK0305084694 Tianjin TIANJIN RIBAO in Chinese 21 Apr 94 p 1*

[Text] Gao Dezhan, secretary of the municipal party committee, conducted investigation and study in Tianjin New Technology Industrial Park on 20 April and sponsored a forum with the responsible comrades of relevant districts and bureaus, in which he stressed: The days of bringing into full play the scientific and technological strong points in the municipality symbolize the occasion in which the municipality's economy is becoming prosperous. Various social circles across the municipality

should firmly foster the thinking of science and technology being the primary productive force; unite as one; double their efforts; further accelerate the development of high and new technologies; and accelerate the transfer of high and new technological results, the industrialization of high and new technologies, and the construction of new-tech industrial parks and zones in the municipality so as to bring into full play the scientific and technological strong points of the municipality.

Participating in the investigation and study activities were Zheng Zhiying, member of the municipal party standing committee and secretary general of the municipal party committee, and responsible comrades from the districts of Nankai and Xiqing.

Gao Dezhan and his entourage first looked into the enterprises located in the new-tech industrial park, including Tianjin Land-Seabed Oil-Drilling Equipment and Technology Development Company, Wantong Electronic Machine Company, Dongfang Electronic Development Company, Xinxing Electronic Company, and Tianjin Jinke Electronic Corporation Ltd. They also went deep into the workshops of production and sale departments to learn about the situation in technology, equipment, and the contingent of staff members and workers. They also heard the briefing given by the responsible comrade of the municipal science and technology commission with regard to the situation prevailing in the municipal new-tech industrial park.

The present scope and high and new technologies of the municipal new-tech industrial park have achieved rapid development under the correct leadership of the municipal party committee and the municipal people's government and thanks to the support given by the State Science and Technology Commission and various social circles. At the end of March this year, the number of enterprises in the new-tech industrial park reached 1,140, which accommodated 30,000 employees. Total income earned by the enterprises of technology, industry, and trade in the park in 1993 topped the figure of 2.2 billion yuan and showed a 100 percent increase over 1992. The capital construction of the new-tech industrial park has entered the stage of overall-planned development. Construction has been carried out in the four fields of establishing industrial enterprises and the enterprises of bringing their function into play, implementing the state policies, and exerting influence. The park has also deepened its reform in various projects and created a relaxed environment for high-and-new tech enterprises to persistently enforcing the brand-new mechanism. The park's function of turning the high scientific and technological results into productive forces has been steadily enhanced and played a promoting role in industrializing and internationalizing high and new technologies. Over the past few years, the municipal industrial park has accumulated over 1,500 new products of high and new technologies. Of these new products, a large number of key products have reached the advanced standards at home and abroad and begun to enter international markets.

During the forum, Gao Dezhan first acknowledged the obvious achievements scored by the municipal new-tech industrial park over the past few years. He pointed out: Tianjin is filled with talented science and technology personnel, has obvious strong points in science and technology, and should take greater steps in having science and technology make the municipality prosperous and strive to do something more worthwhile in this regard. Efforts should be made to bring into full play the municipal strong points in talented personnel, higher educational institutions, the state scientific research institutes, and in policies and industries. We should truly achieve in bringing the municipal scientific research strong points into play and enable the municipal program of industrializing high and new technologies to achieve faster and better progress.

Gao Dezhan pointed out: The general demand set by the municipality for scientific and technological work is to accelerate the development of high and new technologies, the transfer of scientific and technological results, the industrialization of high and new technologies, and the construction of new-tech industrial parks and zones. By making full and good use of the conditions and policies granted by the state, the new-tech industrial park should do a good job in the following three aspects: 1) Accelerate the establishment of high-and-new tech enterprises. 2) Apply high and new technologies to rebuilding the out-dated enterprises and provide equal treatment devoid of prejudice to out-dated enterprises as long as they conform to the conditions of high and new technology. It means that we should not only grasp economic growing points but also apply high and new technologies to arming the enterprises based on the existing foundation. This is an important way to make the municipal economy prosperous. 3) Make full use of the laboratories and conditions of higher educational institutions and scientific research institutes throughout the municipality.

Gao Dezhan pointed out: In accelerating the construction in the industrial park, we should proceed from reality; create new ideas; and make full use of existing conditions. Meanwhile, efforts should be made to straighten out the managerial systems; to manage what deserves to be managed; and to delegate rights that deserve to be delegated so as to enable various circles to be enthusiastic in development and to make contributions to accelerating the development of such industrial parks and zones by proceeding from the whole situation and taking coordinated action.

Gao Dezhan emphatically pointed out: While accelerating the development of the new-tech industrial park, we should also attach great importance on scientific and technological work. We should create new ideas and measures and make a new breakthrough this year to integrate between the task of having science and technology be aimed at production and construction and that of having production and construction rely on science and technology. In particular, we should give priority to the following five key points in turning the scientific and



technological results into practical productive forces: 1) High and new technologies should be industrialized; 2) Out-dated enterprises should be reformed with high and new technologies; 3) We should apply high and new technologies to increasing the variety of new products; 4) The technical progress of enterprises should be accelerated, the products' quality should be upgraded, and the cost and consumption of enterprises should be lowered; 5) The practical and advanced technologies of agriculture should be popularized so as to promote agricultural development. Gao Dezhan pointed out: Successfully integrating science and technology with production requires the common efforts made by several circles. The units of production, construction, and management should truly foster their sense of science and technology; upgrade their enthusiasm and initiative in applying the scientific and technological results; and foster the thinking of science and technology that mean funds, time, and benefits. Higher educational institutions and scientific research units should vigorously upgrade the quality of their scientific and technological results, increase the applied benefits of them, and do a good job in rendering services. We must integrate the appraisal of scientific research units with their practical results. As for those that have scored benefits in applying the scientific research results, we should give them a handsome reward if they deserve commendation. As for those who have long failed to turn out research results and whose results have not been applied for a long time, we should adopt measures to handle them. The departments of government and those in charge of the work should enhance macro readjustment and control, study the methods of encouragement and support, and give encouragement in policies to the applied scientific

research results. Government departments, departments in charge of the work, as well as higher educational institutions and scientific research units should commonly make efforts to successfully conduct the work of turning the scientific research results into productive forces, to accelerate the program of having science and technology make the municipality prosperous, and to again create a splendid image of Tianjin.

#### **Tianjin Development Zone Increases Foreign Trade**

*OW0305110494 Beijing XINHUA in English 0632  
GMT 3 May 94*

[Text] Tianjin, May 3 (XINHUA)—The Tianjin economic development zone, one of China's major spots for foreign investment, did 190 million U.S. dollars-worth of foreign trade in the first half of this year [as received], 2.4 times the figure for the same period of last year.

Of this, 130 million dollars-worth was imports while 60 million dollars-worth was exports. As more large factories producing advanced products are established in the zone, its products now sell in 62 countries and regions, among which the United States, Japan, the Republic of Korea, Singapore, Taiwan, Hong Kong and EC countries make up 89 percent of its export market.

According to local officials, the development zone has approved the setting up of 200 new foreign-funded enterprises with a total investment of 500 million U.S. dollars since the beginning of this year. Several dozen new joint ventures start operation each month in the zone.

### Central Radio To Broadcast 'Mainland Securities' to Taiwan

OW0305102394 Beijing XINHUA Domestic Service in Chinese 0328 GMT 3 May 94

[Text] Beijing, 3 May (XINHUA)—Starting today, compatriots in Taiwan and Overseas Chinese abroad will have a new source to promptly know the situation of the securities market and joint stock enterprises on the mainland—the "Mainland Securities" special broadcast.

The "Mainland Securities" program is sponsored jointly by the China Securities Paper and the Central People's Broadcasting Station Department of Broadcasting for Taiwan. The program will be beamed to Taiwan, Hong Kong, and Southeast Asia in the Amoy dialect.

It was learned that the "Mainland Securities" program includes "Weekly News Roundup," "Market Observation," "This Week's Commentary," "Comments by Specialists," "the Trend of Corporations," "Introduction of Enterprises," and other subjects. It will be broadcast by Programs One and Two of the Central People's Broadcasting Station every Tuesday. The duration of the program is 10 minutes and will be broadcast 10 times a day.

### Hainan Begins Preferential Exit, Entry Policies

HK0205095894 Beijing ZHONGGUO XINWEN SHE in Chinese 1203 GMT 8 Apr 94

[By reporter Gu Shihong (7357 2514 1347): "Hainan Implements Preferential Policies for Exit and Entry on Personal Reasons"]

[Text] Haikou, 8 Apr (ZHONGGUO XINWEN SHE)—This reporter learned from today's news briefing by the Hainan Provincial Public Security Department that, entrusted by the Ministry of Public Security, Hainan Province had implemented a series of preferential exit and entry policies.

Peng Xiaomin, of the Exit and Entry Administrative Section of the Hainan Provincial Public Security Department, said that policies toward exit and entry for personal reasons which are more preferential than those of other localities in China are as follows:

First, the Hainan Provincial Public Security Department can issue visas directly to Taiwan residents on their landing at the Haikou and Sanya ports. According to the policy of "issuing visas on landing," Taiwan residents need not go through any formalities before they come to

Hainan. With valid documents, they can fly from Taiwan to Hong Kong, change planes there, and come to Hainan. In addition, if Taiwan compatriots wish to go to any open city on the mainland, but do not want to stay in Hong Kong or Macao to go through formalities, they also can come to Hainan first, obtain an "Entry and Exit Permit for Taiwan Resident Visiting the Mainland," then take a plane from Hainan to the hinterland. They can leave the mainland via any open port and without restriction. The Exit and Entry Administrative Section of the Hainan Provincial Public Security Department has set up visa offices at the airports and wharves of the Haikou and Sanya ports where incoming Taiwan compatriots can obtain an "Entry and Exit Permit for Taiwan Resident Visiting the Mainland" immediately after showing valid documents, filling in a form, and submitting two photos. The formalities are very simple.

Second, it is not only easy to enter Hainan, but convenient to leave it, as well. According to Hainan's policy for formalities connected with the "Application for Exit Permit With a Certificate of Temporary Residence" which have been approved by the Ministry of Public Security, working personnel who have lived in Hainan for more than six months and who have registered their residence outside Hainan may apply in Hainan for travel documents to visit other countries and Hong Kong. Working personnel who have lived in Hainan for more than one year not only can travel to other countries, but also can apply for passports for personal reasons, such as to work, to visit relatives and friends, or to receive training abroad. In particular, Chinese citizens can go by sea to Vietnam following the Sanya-Da Nang sea route, and foreigners and Taiwan compatriots can come directly from Vietnam to Hainan. It is said that this is China's only exit and entry sea link with Vietnam.

In addition, the Ministry of Public Security and the Hong Kong Immigration Department have agreed that beginning 1 January this year, the Hainan Provincial Public Security Department may issue "Multiple Entry and Exit Permit for Visitors to Hong Kong and Macao" for personal reasons. This provides convenience for personnel engaged in trade, economic, and science and technology activities in Hainan who want to go to Hong Kong.

According to statistics, the number of foreigners who came to Hainan for a short stay last year amounted to 22,887—an increase of 5.8 percent over the previous year. Last year, the number of Taiwan residents who came to Haikou by plane or by sea directly from Taiwan via Hong Kong amounted to 4,348.



**Delegation To Visit Hangzhou on Cruise-Boat Incident**

OW0305100494 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 2 May 94

[From the "Hookup" program]

[Text] The Strait Exchange Foundation [SEF] yesterday [2 May] formally replied to the mainland's Association for Relations Across the Taiwan Strait [ARATS] saying that the SEF will send personnel and crime experts to Hangzhou to study the Chientao [Qiandao] Lake incident [in which 24 Taiwanese tourists were killed during a pleasure boat cruise]

The SEF has decided that a delegation will leave for Hangzhou on 8 May with a scheduled return to Taiwan on 15 May.

The SEF delegation will be headed by SEF Deputy Secretary General Hsu Hui-you; and its members will consist of SEF officials, crime experts, and representatives of families of the victims, totally about 20 people.

The SEF indicated that the date of departure for Hangzhou was determined on the basis of the views of relevant experts and families of the victims and after assessing the situation. It hoped that ARATS would provide the delegation with the relevant information and make arrangements for personnel who handled the case and those who performed the autopsies on the victims to explain the incident to the delegation. The SEF added that the delegation will also visit Chunan County to (?inspect) the boat, the Haijui [Hairui], and will interview relevant personnel to have a thorough understanding of the case.

Meanwhile, according to Hong Kong's pro-Chinese communist paper, WEN WEI PO, Chinese communist Vice Premier Chu Jung-chi [Zhu Rongji], who is now visiting Chekiang [Zhejiang] on an inspection tour, has visited Chientao Lake to study the case as well as the measures the local authorities have taken to deal with problems arising from the case. The paper said that Chu has also instructed the local authorities to do a good job in receiving the SEF personnel and the victims' families.

The report also indicated that Chu Jung-chi's inquiry about the case shows that the CPC Central Committee attaches great importance to the SEF personnel's arrival in Hangzhou, and that it also shows that the CPC Central Committee is unwilling to see the boat incident undermine the developing cross-strait relations.

News reports from Peking [Beijing] also indicated that high-ranking Chinese communist authorities hoped that a lesson could be learned from the Chientao Lake incident, and that they have decided to set up a group to handle Taiwan-related contingencies. It is reported that the group members will include principal ARATS officials, and that the Chinese communist authorities hoped

this new organ will be able to handle Taiwan-related contingencies efficiently and openly.

Commenting on the Hong Kong report that the CPC Central Committee has decided to set up a group to handle cross-strait contingencies, SEF Deputy Secretary General Shih Chi-ping indicated yesterday that the report, if confirmed, shows that Chinese communist authorities concerned have made a thorough self-examination after the boat incident.

Shih added that, in principle, the SEF agreed that a group should be set up to handle Taiwan-related contingencies as reported by the Hong Kong paper.

**Official Urges Removal From U.S. Section 301 List**

OW0305082394 Taipei CNA in English 0748 GMT 3 May 94

[By Sofia Wu]

[Text] Taipei, May 3 (CNA)—Taiwan hopes it can be removed from the special 301 "watch list" targeted by the United States for possible trade sanctions for failure to protect intellectual property rights (IPR). Vice Economic Affairs Minister Sheu Ke-sheng said Tuesday [3 May].

Sheu made the statement after learning that the US Trade Representative (USTR) has decided to move Taiwan from the special 301 "priority watch list" to the less threatening "watch list" this year.

Sheu said Taiwan has made significant progress in IPR protection during the past year, including the passage of amendments to copyright, trademark and patent laws stipulating harsher penalties for offenders.

Taiwan has also launched massive crackdowns on commercial piracy, Sheu said. "We'll continue law enforcement efforts to prevent IPR violations and hope the US can move us from the special 301 'watch list' as soon as possible," he added.

Sheu reported that police cracked 2,111 cases involving copyright violations last year, in which 131,261 pirated music cassette tapes, 18,307 videotapes and 19,219 volumes of pirated books were confiscated.

The number of cases cracked was up 51.5 percent from 1992 and the quantities of seized pirated books, videotapes and music tapes were all historic highs, Sheu said.

Government authorities received 25,112 applications for copyrights in 1993, of which 96.7 percent were filed by local residents and the remaining were filed by foreign nationals.

Official tallies show that 86 percent of copyright applications by local people were approved, while 78 percent of those filed by foreigners were approved.

The USTR placed Taiwan on the special 301 "priority watch list" in April 1993 and decided to keep Taiwan on that list last August. Under the special 301 provisions of the trade act of 1974, the US Government must complete its annual review of its trading partners' IPR protection practices by April 30, and submit a report on the review to Congress.

#### **Government To Increase Contributions to ADB Fund**

OW0305103994 Taipei CNA in English 0815 GMT  
3 May 94

[By M. J. Tzou and Sofia Wu]

[Text] Nice, France, May 2 (CNA)—Taiwan plans to contribute US\$15 million this year to the "Asia Development Fund" under the Asian Development Bank (ADB) to help finance infrastructure construction plans in less developed Asian countries, Vice Finance Minister Li Chung-ying said here Monday [2 May].

Li, heading a 10-member delegation, arrived in Nice Sunday to attend the 27th ADB annual meeting scheduled to open Tuesday.

More than 70 percent of the 55 ADB members have agreed to a proposal to double the bank's capitalization to US\$48 billion, Li said.

Against this background, Li said, Taiwan plans to increase its annual contribution to the bank's US\$32 billion six-phase Asia Development Fund to US\$15 million this year.

Taiwan, an ADB founding member, holds a 1.12 percent stake in the Manila-based bank. Li said all ADB members are required to inform bank management whether they support the proposed bank capital increment by mail before May 22.

Li said he will issue a formal statement Wednesday urging the ADB to change Taiwan's designation in the bank to "Taipei China" instead of the current "Taipei, China."

Taipei believes that the "Taipei, China" designation relegates Taiwan's government to a local government and not a sovereign political entity.

Under Beijing's pressure, the ADB unilaterally changed Taiwan's designation from the "Republic of China [ROC]" to "Taipei, China" in 1986 when Beijing joined the bank.

Taipei refused to take part in any ADB activities in protest of the unfair treatment in 1986 and 1987. It resumed participation in ADB activities in 1988.

Taipei has since consistently voiced protests against the name change during the annual ADB meeting.

Li said he asked ADB Governor Mitsuo Sato to seriously consider the name issue during this year's meeting. "I

told Sato during a meeting Monday that Taiwan wants its designation in the ADB to be changed to 'Taipei China,'" he added.

In reply, Sato said he understood Taiwan's stance and would pay "special attention" to the issue.

The three-day ADB annual meeting will close Thursday.

#### **Talks With Japan End With Some Consensus**

OW0305104094 Taipei CNA in English 0808 GMT  
3 May 94

[By Lilian Wu]

[Text] Taipei, May 3 (CNA)— Taiwan and Japan took a step closer to understanding each other's trade needs during informal tariff reduction talks under the General Agreement on Tariffs and Trade (GATT) framework last week, Huang Yen-chao, director-general of the Board of Foreign Trade, said Monday [2 May].

Huang said that Taiwan expressed its concern about its huge trade deficit with Japan during the talks, and also discussed opening its market to Japanese agricultural products, alcohol and tobacco.

Japan, although supportive of Taiwan's bid to enter GATT, expressed the hope that Taiwan would move faster in opening its markets, Huang added.

(Huang said that Taiwan's trade deficit with Japan rose above US\$15 billion in the past 15 months. He said he asked the Japanese side to lower import barriers to facilitate foreign exports.

Japanese negotiators responded that Japan would begin substantive measures in June to increase imports in line with economic reforms.

Taiwan also proposed that the two sides hold regular trade consultations, similar to those held between Taiwan and the European Union and the United States. Japan replied that it would consider the proposal.

Huang said that Japan asked Taiwan to end discriminatory treatment on imports of Japanese agricultural products, automobiles, alcohol and tobacco.

On agricultural products, Taiwan asked for a six-year grace period before allowing the import of Japanese fruits, but Japan rejected the proposal and further negotiations are necessary, Huang said.

On imports of Japanese automobiles, Taiwan said that it would allow the imports of Japanese cars with engine sizes of 3000 cubic centimeters and above by the end of this year, Huang added.

Huang also said that Japan would submit a list of proposed tariff cuts for Taiwan during a mid-May meeting of the GATT fifth working party reviewing Taiwan's membership bid.



Taiwan applied for GATT membership in January 1990 and was given observer status in September 1992. It hopes to become a full member by the end of the year.

#### **Taiwan, Hong Kong Trade Organizations Sign MOU**

*OW0305084794 Taipei CNA in English 0802 GMT 3 May 94*

[By Y. C. Tsai]

[Text] Taipei, May 3 (CNA)—The Taipei-based Chinese National Federation of Industries and the Hong Kong General Chamber of Commerce Tuesday [3 May] signed a memorandum of understanding [MOU] to forge closer trade ties.

Under the memorandum, both sides pledge to join hands to help promote trade exchanges among Taiwan, Hong Kong, and Mainland China and push for the opening of the mainland's service markets.

Meanwhile, Taiwan asks Hong Kong to give a helping hand to Taiwan's efforts to become an Asia-Pacific business operations center, to grant seven-day visa-free stay to Taiwan visitors who will proceed to other countries, and to simplify visa application procedures for Taiwan visitors.

On the other hand, the Hong Kong side suggests that Taiwan accelerate opening of its financial market to Hong Kong investors, further relax restrictions on merchandise trade among Hong Kong, Mainland China, and Taiwan, and open the flight route between Taipei's Sungshan Airport and Hong Kong.

Federation Chairman Kao Ching-yuan and Chairman Paul Cheng of the General Chamber of Commerce inked the document during the fourth Taiwan-Hong Kong trade cooperation conference at the Howard Plaza Hotel.

More than 100 representatives from the two organizations took part in the one-day meeting, during which panel discussions on manufacturing, banking, and service industries were held.

Vice Chairman Hsueh Chi of the Council for Economic Planning and Development, Vice Chairman Su Chi of the Mainland Affairs Council, and Director-General Ricky Y. S. Kao of the industrial development and investment center were invited to deliver speeches at the meeting.

Taiwan has maintained close economic ties with Hong Kong, which has been the entrepot of cross-strait indirect trade. Two-way trade totaled US\$20.4 billion last year, in which Taiwan enjoyed a surplus of US\$16.9 billion.

In 1993, Taiwan-Hong Kong trade accounted for 12 percent of Taiwan's total foreign trade.

#### **Government Denies Abandoning Rice Farmers in GATT Talks**

*OW0205134194 Taipei CNA in English 1306 GMT 2 May 94*

[By Benjamin Yeh]

[Text] Taipei, May 2 (CNA)—A high-ranking agriculture official on Monday [2 May] denied rumors that the government has indicated during negotiations with GATT members over Taiwan's entry into the world trade body that it will back away from rice farmers in exchange for continued protection of the local car industry.

Sun Ming-hsien, chairman of the Council of Agriculture, said during an interpellation session at the Legislative Yuan that the report that prompted the rumor was "groundless."

A newspaper reported last week that GATT contracting parties are permitted to protect a single industry in line with GATT provisions, and that the government had decided to favor the car industry at the expense of the rice industry because it employs 600,000 more people than the rice industry.

In fact, GATT rules allow countries to protect their agricultural markets more than their industrial markets. To that end, Sun said, the government would continue in GATT negotiations to push for limited access to Taiwan's agricultural market.

Economic Affairs Minister P. K. Chiang also refuted the rumors, saying the government will do everything it can to win extra adjustment time for the agricultural sector while pushing for entry into the Geneva-based world trade regulatory body.

Taiwan applied for GATT membership in 1990 under the name of "the customs territory of Taiwan, Penghu, Kinmen and Matsu," and has been involved in four GATT working-party meetings since then. The fifth is scheduled for May 16-19 in Geneva.

Taiwan held talks with the Philippines, Malaysia, Thailand and Japan last week on tariff reductions, and will meet with the United States next week.

#### **President To Leave for 4-Country Visit 4 May**

*OW0205130794 Taipei CNA in English 1248 GMT 2 May 94*

[By Sofia Wu]

[Text] Taipei, May 2 (CNA)—President Li Teng-hui will start his 13-day, four-country overseas tour Wednesday [4 May] with an aim toward promoting Taiwan's relations with its allies.

The tour will take Li to Nicaragua, Costa Rica, South Africa and Swaziland, all of which maintain close official relations with the Republic of China [ROC].

President Li will sign joint communiques with Nicaraguan, Costa Rican and Swazi presidents pledging to continue strengthening bilateral relations, the ministry of foreign affairs said Monday.

Li is scheduled to arrive in Managua, Nicaragua on Wednesday, (local time) for a two-day visit, the ministry said. The Nicaraguan Government will give Li a 21-gun salute.

Li will deliver a speech to the Nicaraguan Congress on Thursday, and the congress will confer a medal to Li in recognition of his contribution to promoting ROC-Nicaraguan relations. Li will be the fourth recipient of such an honor.

Li will then fly to Costa Rica on Friday for a three-day visit. While there, he will attend the inauguration of President-Elect Jose Maria Figueres, which is scheduled to take place on Sunday. While there, Li will visit an export processing zone Taiwan's BES Engineering Corp. has built to attract Taiwan investment to the Central American country.

Li will then proceed to South Africa, where on May 10 he will attend the inauguration of the new South African president. African National Congress leader Nelson Mandela is widely believed to have won that country's first multiracial presidential election.

The Foreign Affairs Ministry said it is arranging for meetings between Li and South African leaders, including Mandela and incumbent President F.W. de Klerk.

Li will fly to Swaziland May 12 for a state visit. In addition to meeting with Swazi King Mswati III, he will also visit a demonstration farm and a handicraft center that the ROC has helped establish there.

Li and his entourage are scheduled to return to Taipei May 16.

This will be Li's first official overseas tour since he assumed the presidency in 1988. He made unofficial visits to Singapore in 1989 and to the Philippines, Indonesia and Thailand in February this year. All four Southeast Asian countries recognize Beijing, while maintaining close economic ties with Taiwan.

#### **Legislators Freeze Power Plant Budget Pending Reappraisal**

OW0205123694 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 27 Apr 94

[From the "Hookup" program]

[Text] During a budget examination on 27 April, the Legislative Yuan froze the No. 4 nuclear power plant portion of the Atomic Energy Commission [AEC] budget due to the plant's alteration of its generator capacity. The

Legislative Yuan Education Committee examined the AEC budget yesterday [27 April].

After completing the environmental impact appraisal of the power plant, the Taiwan Power Company and the AEC rapidly approved the power plant's plan to enlarge its generator capacity by one third. The altered plan has caused concern among many Legislative Yuan members. Some have interpellated the event. Legislative Yuan member (Meng Chun-chu) called for freezing the power plant's portion of the AEC budget before completing a reappraisal of environmental impact under the new plan. The portion totals 24 million yuan, including the power plant's budget for reexamination of transport plan, industrial cooperation planning, and other technological matters.

#### **Fifteen Charged in Election Scandal**

OW0205134394 Taipei CNA in English 1310 GMT 2 May 94

[By Benjamin Yeh]

[Text] Taipei, May 2 (CNA)—A prosecutor in the central Taiwan city of Chiayi charged 15 people with either vote-buying or graft during the city and county council speaker and deputy speaker elections that culminated on March 1.

The prosecutor recommended 34 months in jail for speaker Hsiao Teng-wang and five years for Deputy Speaker Chen Chun-kui for vote-buying if they are found guilty.

An investigation showed that Hsiao and Chen had offered NT\$1 (new Taiwan dollars) million (US\$37,878) and NT\$800,000, respectively, to each councilor who would vote for them.

The prosecutor also proposed a jail term of two years for councilors Chang Tung-kun and Li Tien-lang, who were suspected of buying votes on behalf of Hsiao and Chen.

Eleven other people face proposed jail terms of between eight months and 18 months for their roles in the nation's worst election scandal.

At least 360 people around Taiwan, including 13 speakers, nine deputy speakers and 185 councilors, have so far been indicted on graft charges as the investigation into the scandal continues to unfold.

The Chiayi County Council on Monday emerged unscathed from the scandal when the Chiayi prosecutor's office concluded an investigation into the election of the council with nobody being charged.

The ruling Kuomintang won all 23 city and county speaker positions at stake in the polls.



**DPP Chairman Talks on Independence**

*OW0205134094 Taipei CNA in English 1300 GMT  
2 May 94*

[By Y. C. Tsai]

[Text] Taipei, May 2 (CNA)—Shih Ming-the, the newly elected chairman of the major opposition Democratic Progressive Party (DPP), said Monday [2 May] that if he is elected president of the Republic of China (ROC), he will not abruptly announce Taiwan's independence.

Shih pledged that he would not make Taiwan independent by means of revolution or violence. "Whatever the DPP does will be in compliance with the will of Taiwanese people," he said.

The new DPP chairman said he was confident that he would win a popular vote for ROC president.

Previously, the president was selected by the National Assembly. But a special session of the assembly that opened Monday to consider constitutional reforms is expected to mandate the popular election of president.

Shih, 53, was elected the DPP's sixth chairman during the party congress Sunday. Shih beat Ms. Yu Chen Yuch-ying by a vote of 206 to 145. His tenure will be two and a half years.

Shih had served 25 years in Taiwan prisons. He was jailed for 10 years for participating in an anti-government riot in the southern city of Kaohsiung in 1979, and was also jailed from 1962 through 1977 for his attempts at organizing the overthrow of the government.

He has been a devoted advocate of Taiwan independence, a goal in direct opposition to the ruling Kuomintang's policy, which seeks Taiwan's eventual reunification with Mainland China.

The DPP was founded in 1986 in defiance of a decades-old ban on the establishment of new political parties. The ban was lifted in 1987 as part of ongoing democratic reforms.

**Construction Begins on Software Industrial Park**

*OW0205134494 Taipei CNA in English 1319 GMT  
2 May 94*

[By Y. C. Tsai]

[Text] Taipei, May 2 (CNA)—Construction of Taiwan's first software industrial park will begin Thursday [5 May], the Ministry of Economic Affairs said Monday.

Occupying an area of 4.03 hectares in the Taipei suburb of Nankang, the software complex calls for a total investment of NT\$7.1 [new Taiwan dollars] billion (US\$267.92 million), of which US\$5 billion (US\$188.67 million) will come from a syndicated bank loan, ministry officials noted.

Shih Cheng Development Co. is in charge of the project, which aims to build a first-class research and development environment for the software industry and thus help upgrade Taiwan's industrial base, they said.

The park will be completed in 1995, and is expected to have 6,000 software workers.

## Hong Kong

**Lu Ping Continues Visit; No Contact With Patten**  
*HK0305111494 Hong Kong SOUTH CHINA  
MORNING POST in English 3 May 94 p 1*

[By SOUTH CHINA MORNING POST political desk]

[Text] China's top official in charge of Hong Kong affairs yesterday hosted a meeting in Stanley of a Beijing-appointed local executive while still having had no official contact with the British administration since his arrival.

After a brief appearance at the Bank of China reception to celebrate the issue of new Hong Kong banknotes at 8 am, Lu Ping returned to the villa at No 6 Stanley Beach Road owned by XINHUA (the New China News Agency).

In a basement-level room with heavy red curtains, Mr Lu chaired the meeting of the political sub-group of the Preliminary Working Committee, the organization charged with speeding up preparations for Beijing's takeover of Hong Kong.

While Governor Chris Patten has ridiculed the committee as inconsequential, people within and outside the British administration have voiced their concern that it would appear to be China's power base in the territory.

Mr Lu, the Director of the State Council's Hong Kong and Macao Affairs Office and secretary-general of the committee, only smiled when asked whether it would be a violation of the Memorandum of Understanding with Britain if he continued to dodge Mr Patten.

The memorandum, which dealt with the airport project, stipulated that there should be regular contact between the two sides.

One opportunity would have been at the Bank of China function, but bank director Wang Qiren said Mr Patten had not been invited because the organizers thought he was too busy.

"Mr Patten has such an important job to do as the Governor, we would not bother him with an invitation to the ceremony," said Mr Wang, former deputy of Mr Lu.

Mr Lu's meetings on political matters relating to the handover ended at 5.30 pm, and the whole group dashed off to Central to join their colleagues from the economic sub-group at a dinner hosted by the Bank of China.

Mr Patten was again missing from the guests, but two members of his Executive Council, Raymond Chien Kuo-fung and Tung Chee-hwa, were there.

## Expatriate Civil Servants Excluded From Lu Ping Meeting

*HK3004062494 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Apr 94 p 1*

[By Fung Wai-kong]

[Text] Expatriate civil servants have been shut out of an all-important meeting next week between the government staff and Lu Ping, the top Chinese official in charge of Hong Kong affairs. They have been given the cold shoulder by the increasingly assertive Preliminary Working Committee, which has set up talks between Mr Lu and representatives of at least five of the most influential groups for local staff. The Association of Expatriate Civil Servants was not invited, even though it had already lodged a request through the local branch of XINHUA (the New China News Agency) to meet Mr Lu, director of the State Council's Hong Kong and Macao Affairs Office.

The most influential of the five local groups are the Senior Non-Expatriate Officers' Association (SNEOA) representing mainly middle-ranking officials, and the Hong Kong Chinese Civil Servants' Association, which speaks for about 90,000 local staff of all ranks. The chairman of the SNEOA, John Luk Woon-cheung, revealed that the invitation to meet Mr Lu had been made informally by officials of XINHUA. "We have been in good contact with the Hong Kong and Macao Affairs Office, but it will still be good to see Mr Lu in Hong Kong," he said. The executive committee will meet during the week to decide what messages they will convey to Mr Lu.

Expatriate civil servants were disappointed that they were being left out of the talks. Governor Chris Patten has already been snubbed by Mr Lu, who has decided he had no time to spare in his hectic schedule.

Expats' chairman Royston Griffey said it would be unfortunate if they were barred from the dialogue between civil servants and the incoming sovereign power, because they formed a significant part of the administration and would remain so even after 1997. "It's important to break the ice in our relations as soon as possible," Mr Griffey said, referring to the lack of a response from XINHUA to earlier requests for a meeting.

Mr Lu's decision to meet local staff associations was further evidence of an effort by China to marginalise Mr Patten from the process of planning the government of the future Special Administrative Region. Mr Patten said on Wednesday that if Mr Lu's schedule was too busy to meet him, it must be too busy to meet any senior civil servants.

However, the Governor's spokesmen, Mike Hanson, said the Government did not feel that the scheduled meeting next Saturday was a further snub to Mr Patten.



Rather it was good for Mr Lu to hear all shades of opinions, including those of the civil servants associations. "The Government has no difficulty about these contacts," said Mr Hanson.

In Beijing, Hong Kong and Macao Affairs Office deputy director Wang Feng-chao again urged all civil servants, including expatriates, to stay on after 1997. He reiterated that only the principal official posts as defined in the Basic Law had to be filled by Chinese citizens. The other posts remained open to all.

#### **AMCHAM Group Leaves for MFN Lobbying**

*OW3004160494 Beijing XINHUA in English 1511 GMT 30 Apr 94*

[Text] Hong Kong, April 30 (XINHUA)—A delegation from the American Chamber of Commerce here departed today on its annual trip to Washington to urge unconditional extension of most-favored-nation (MFN) trading status for China.

According to the chamber, the lobbying group, led by Chairman Gerald Murdock and President Frank Martin, will make it clear that "the chamber has been, and continues to be, adamantly opposed to any conditions placed on China's MFN."

Murdock said, "while we believe the promotion of American values is and must remain an important part of American foreign policy, the current annual MFN debate, featuring human rights as the defining issue in our China policy, is both counterproductive to the overall relationship and ineffective in fostering long-term human rights improvements."

He said his chamber will fully endorse the view expressed in Washington this week by Hong Kong Chief Secretary Anson Chan that "continuous, constructive dialogue and engagement with China "is the best solution."

"Linking human rights or other conditions to a world-wide standard of trade is not in the interest of either country," Murdock said.

He said, "over the past several years, the human rights situation in China has improved significantly."

The delegation will meet with relevant U.S. officials in Washington from May 2 to 6. Six members of the American Chamber of Commerce in Beijing will join those from Hong Kong for a total of 23 delegates, the largest mission to date.

In another development, Chief Secretary Anson Chan described her meeting with U.S. Vice-President Al Gore on Friday [29 April] at the White House as extremely useful and interesting.

Anson Chan said, "we had a good discussion about the MFN issue, how this might impact on the U.S.-China relationship and on conditions in Hong Kong."

She said Hong Kong in the 21st century will matter to the Chinese mainland, Asia and the rest of the world.

"It will matter to U.S. business as a prosperous, open and externally-oriented market, as a gateway to China and as a business center for East Asia as a whole," Anson Chan added.

#### **Members of Preparatory Committee Arrive**

*OW0105170694 Beijing XINHUA in English 1524 GMT 1 May 94*

[Text] Hong Kong, May 1 (XINHUA)—Zhou Nan, director of the XINHUA NEWS AGENCY Hong Kong branch, gave a dinner here this evening in honor of some Chinese mainland members of the Preliminary Working Committee for the Preparatory Committee for Hong Kong Special Administrative Region.

The members, who arrived in the territory earlier today, are here to attend a four-day meeting of the political and economic affairs panels for the committee. The meeting is scheduled to open tomorrow.

Present was Lu Ping, director of Hong Kong and Macao Affairs Office under the Chinese State Council.

#### **Bank of China Begins Issuing Banknotes in Hong Kong**

*OW0205130394 Beijing XINHUA in English 1240 GMT 2 May 94*

[By Li Zhigao]

[Text] Hong Kong, May 2 (XINHUA)—The Hong Kong dollar notes issued by Bank of China (BOC) are officially put into circulation here today with a ceremony held inside the BOC tower and thousands of customers on long queues outside the tower waiting for getting the new banknotes. Long queues were seen at 31 sub-branches and 44 automatic teller machines of the BOC Hong Kong branch throughout the territory. Many of them started waiting for their turns at midnight. "It's very memorable," an old customer told reporters in the BOC tower with the new banknotes in his hands. Speaking at the celebration ceremony, Wang Qiren, chairman of the directors board of the BOC, described the issuance as "a very significant event for BOC throughout its over 80 years of operation" and "an important occasion in the economic life of Hong Kong". "BOC's participation in note-issuing indicates China's confidence in the future of Hong Kong and the bank's readiness to undertake, with its strength and reputation, the responsibility for Hong Kong's smooth transition," Wang said. "As one of the note issuing banks, bank of China will operate strictly in accordance with the financial laws and regulations of Hong Kong and, along with the Hongkong Bank and the Standard Chartered Bank, continue to play its part for the monetary stability and development of Hong Kong," he said. Citing an old Chinese saying: The ability of horse is known by travelling far and the faithfulness of a

person is revealed by the lapse of time, he said, "ever since its establishment, Bank of China has always followed its objective of taking root in Hong Kong and rendering services in Hong Kong." "For a long time," he said, "the bank has actively contributed to maintaining the stability and prosperity of Hong Kong and has won the confidence and trust of the public. By the same token, our issue of banknotes has also received extensive support from the local community." Wang said the issue of Hong Kong dollar notes by Bank of China, from planning to official circulation took only 20 months to complete. This speedy process has been made possible through the great support and cooperation given by many related parties in Hong Kong and in the mainland. He expressed, on behalf of Bank of China head office, heartfelt gratitude to all those who have rendered their great support towards the issue of new banknotes. Among hundreds attending the ceremony were Ann Tse-kai and Henry Fok Ying-tung, both vice chairmen of the national committee of the Chinese People's Political Consultative Conference, Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, Zhou Nan, director of XINHUA NEWS AGENCY Hong Kong branch, and Jin Renqing, vice minister of finance, as well as well-known figures Li Ka-shing, Kuok Hock-nien and Li Kwok-po. Cutting ribbon for the ceremony were Chen Yuan, vice president of the People's Bank of China, Wang Qiren, chairman of BOC Directors Board, Huang Diyan, vice chairman of BOC Directors Board and chief executive of BOC Hong Kong-Macao regional office, and Zhou Zhenxing, general manager of BOC Hong Kong branch, as well as Joseph Yam, chief executive of Hong Kong monetary authority. The Hong Kong [H.K.] dollar notes issued by the BOC are in five denominations: 1,000 H.K. dollars, 500 H.K. dollars, 100 H.K. dollars, 50 H.K. dollars and 20 H.K. dollars. The sizes and color schemes of the notes are consistent with those currently issued by the other two banks. The front panel of the notes features the Bank of China tower, bank logo, different floral patterns and a stone lion watermark. The bank panel features a number of scenic spots and landmarks of Hong Kong.

#### Official Views Xi Yang, Hong Kong Civil Service Issues

HK0205042794 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1334 GMT 29 Apr 94

[By staff reporter Dong Huifeng (5516 2585 1496):  
"Wang Fengchao Speaks About Xi Yang's Case"]

[Text] Beijing, 29 (ZHONGGUO XINWEN SHE)—Wang Fengchao, deputy director of the State Council's Hong Kong and Macao Affairs Office, today said that Xi Yang's case is completely unrelated to freedom of the press when he met the visiting Hong Kong "Labor Day" trade union delegation.

He explained: First, Xi Yang's activities were not normal news covering activities. According to the regulations concerned, Hong Kong and Macao reporters should first

submit applications to the XINHUA Hong Kong Branch before they come to the mainland to cover news and should then obtain the concurrence of the units that they want to interview through the Chinese Journalists Association. Last year, Xi Yang applied to cover news about the Hope Project, the Sino-British talks, and the meeting of the Preparatory Working Committee; he did not apply to cover economic and financial news. However, he used his personal connections and stole state economic and financial secrets from Tian Ye. Tian Ye was not an interviewee. Xi Yang was not engaging in "normal news gathering," and he "entered the forbidden zone by mistake."

Second, Xi Yang worked as reporter on the mainland for eight years and was well aware of the difference between normal news gathering and stealing secrets.

Wang Fengchao pointed out: According to the written law on the Chinese mainland, three types of penalties would be meted out to those who stole state secrets like Xi Yang: 1) over 10 years' imprisonment, 2) life imprisonment, and 3) death. Because Xi Yang showed a repentant attitude, a less severe penalty was meted out to him, and he was sentenced to 12 years' imprisonment.

Wang Fengchao said: Since last year, over 1,000 Hong Kong reporters have entered China to cover news, but only Xi Yang has had trouble. This shows that most people were aware of the regulations, and the Hong Kong and Macao Affairs Office did a great deal of work. It made announcements about these regulations four times. At present, control over the news gathering activities of Hong Kong and Macao reporters on the mainland is rather relaxed. They only need to go through the application procedure. Interviewees bear the responsibility for the contents of all approved interviews. We continue to welcome Hong Kong and Macao reporters to conduct normal news gathering as they have done in the past.

Wang Fengchao answered the visitors' questions about the localization of civil servants and retirement guarantees.

He reiterated the relevant provisions of the Basic Law and said: We agree that the civil service localization process should be accelerated, but changes in the employment system for civil servants will lead to major changes in Hong Kong's civil service system. During the transition period—especially the late transition period—the fewer changes the better. Only the 20-plus senior officials should be chosen from among the Chinese residents who are permanent residents of Hong Kong without foreign right of abode. Foreigners who hold the identity card of a permanent resident of the Hong Kong Special Administrative Region can be civil servants at all other posts. It is hoped that the current civil servants will remain in Hong Kong after 1997 and will continue to serve the Special Administrative Region [SAR].

As for the issue of retirement guarantees, Wang Fengchao said that, after 1997, the SAR Government



will formulate the relevant policies on its own according to the provisions of the Basic Law and the economic conditions and social needs of Hong Kong.

The 20-member Hong Kong "Labor Day" trade union delegation headed by Chan Wai-han will return to Hong Kong on 2 May.

### **Role of Mainland Enterprises in Hong Kong Defended**

*HK3004020094 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1116 GMT 6 Apr 94*

[*"Special article" by Yu Cheng (6735 2052)*]

[Text] Hong Kong, 6 Apr (ZHONGGUO TONGXUN SHE)—Recently, there have been some comments in Hong Kong society asserting that PRC-invested enterprises in the territory speculate in real estate, giving an impression to people that PRC-invested enterprises are to blame for soaring real estate prices. Obviously, this is not true, because in Hong Kong all kinds of capital is assigned to the real estate market, and capital from PRC-invested enterprises only accounts for a limited percentage of the Hong Kong real estate market as a whole. Quite a number of PRC-invested enterprises in Hong Kong have a real need for real estate, and only a small number of them are speculating.

Over the last few years, PRC-invested enterprises in Hong Kong have been active in developing their business; they have a strong need for all types of buildings for use as offices and production sites. This situation is similar to that of other financial organizations. But PRC-invested enterprises' activities in the Hong Kong real estate market have aroused particular concern because of their sensitive background. Apart from this, their rapid development has also caused such concerns.

According to recent statistics published by the Hong Kong Government, PRC-invested enterprises play quite an important role in Hong Kong's economy. Take banking as an example. There are 15 PRC-capitalized licensed banks in Hong Kong, including 13 licensed banks affiliated to the Bank of China Group, and Ka Wah Bank and Union Bank, which belong respectively to the China International Trust and Investment Corporation and the China Merchants Steam Navigation Company Limited. PRC-capitalized banks have actively developed their retail business and expanded their branches, hence the need to buy real estate.

In manufacturing industry, industrial projects with mainland investments amounted to 39 at the end of 1992, and total investment stood at HK\$4.133 billion [Hong Kong dollars] calculated by original cost, the third largest source of industrial investment after Japan and the United States. Calculated on the basis of original costs, the total value of their total fixed assets amounts to HK\$2.9 billion. This, of course, includes the value of factory buildings.

A survey by the Hong Kong Department of Industry in 1993 on regional representative offices set up in Hong Kong by foreign firms suggested that PRC-invested enterprises had established 67 regional headquarters in Hong Kong and were working hard to catch up with U.S., Japanese, and British financial groups.

Thus, it can be seen that PRC-invested enterprises have a strong need to buy all types of buildings.

However, we cannot rule out the possibility that a small number of PRC-invested enterprises speculate in Hong Kong's real estate market, but this problem is not serious and has received proper attention from the relevant Chinese department. Some comments in society have attributed the cause of real estate price hikes entirely to speculation, overlooking the basic factor of supply falling short of demand. These comments have even blamed PRC-invested enterprises for soaring real estate prices. Evidently, this is irrational and unfair, because other financial groups are also speculating in the real estate market.

Real estate prices and rents have kept rising in recent years. Unquestionably, this has much to do with real estate speculation, but in a free market economy, all commodity prices are determined by the balance between supply and demand. The Hong Kong Government bears a major responsibility for the real estate price rises of recent years, because it does not have a strategy and the supply of land is imbalanced. It takes more than one cold day for a river to freeze three feet deep. In curbing real estate speculation, the Hong Kong Government should not just introduce several short-term measures, as these cannot resolve the problems. Overly rigorous short-term measures could lead the economy into a predicament.

### **Pro-PRC Businessmen Engineer Veteran Legislator's Defeat**

*HK0105081794 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 1 May 94 p 16*

[*"Inside Politics" column, by Danny Gittings: "McGregor Defeat Shows Business Slant on China"*]

[Text] The significance of veteran legislator Jimmy McGregor's defeat in last week's Hong Kong General Chamber of Commerce elections goes far beyond the probable end to the political career of one of the territory's best-known expatriates. The general committee poll is widely seen as an indicator of whether Mr McGregor will hold his own in next year's contest for the chamber's Legislative Council functional constituency seat, a position he currently occupies. And the overall message is not good for Mr McGregor, or for those who share his views. The veteran legislator ended up at the bottom of the committee poll, winning an embarrassingly low 543 votes. The result is a clear sign the business community no longer sees any role for those who try to reconcile the democratic aspirations of most people in Hong Kong with the need for good relations with Beijing.

It is all too easy—amid the headlines about his defeat by pro-China forces—to overlook the fact that Mr McGregor is a moderate. Radicals, such as independent Emily Lau Wai-hing, regard him with suspicion, describing him as only a partial democrat. Although the veteran legislator has been widely associated with Governor Chris Patten's political reform proposals, it is often forgotten that he strenuously opposes one of their central elements: the creation of nine new functional constituencies, embracing virtually all of Hong Kong's 2.7 million workers. Even the Governor's compromise blueprint, put forward during last year's unsuccessful negotiations with Beijing, to instead have nine new organisational-based seats with an electorate of 840,000, is too much for Mr McGregor. He is planning to propose still smaller constituencies during the forthcoming Legislative Council debate on the electoral legislation.

As far as he is concerned, Mr Patten's proposals are beyond the pale, since they breach what China understands to be the original concept of functional constituencies: small organisational-based seats. Nor will he have any truck with attempts to bring in more democracy than is allowed under any reasonable interpretation of the Basic Law: he is strongly opposed to the United Democrats attempt to push through 30 directly-elected seats for next year's polls. Yet none of this is enough to satisfy today's business leaders who, as Mr Patten discovered as soon as he arrived, are desperate not to do anything that may offend Beijing.

Even Mr McGregor's support for the Governor's modest attempts to reform the voting system for the existing 21 functional constituencies, and introduce a democratically-chosen election committee, is too much for them. As far as they are concerned, the veteran legislator has long been living on borrowed time. His one-time supporter, former Hutchison Whampoa managing director Simon Murray is gone, a victim of tycoon Li Ka-shing's decision, like most of the Hong Kong business community, to concentrate on investments in the mainland. Instead, the attitudes of leading businessmen today are best represented by their decision not to invite Mr Patten to Friday's luncheon with Hong Kong and Macao Affairs Office chief Lu Ping for fear it will offend the visiting mainland official.

So the most that can be hoped for in today's climate is to see a socially—rather than politically—liberal businessman take Mr McGregor's place. Fortunately one is available, in the shape of appointed legislator Henry Tang Ying-yen. While Mr Tang may lack Mr McGregor's instinct to push democracy as far as reasonably possible, he has already made his mark as one of the few local businessmen ready to maintain good relations with trade unionists, and even support the introduction of a central provident fund.

Mr Tang, who has long been tipped to run for the chamber's functional constituency seat next year, should have no difficulty winning if he chooses to stand. The Liberal Party legislator has just been elected to the

chamber's general committee with 1,224 votes, more than twice as many as his potential rival Mr McGregor managed to garner.

But all this does not mean the old war-horse should give up without a fight. Although Mr McGregor now looks destined for defeat in next year's contest, it is to be hoped he will give it one more shot. Even if he is defeated, there should be a role for him as an adviser to the new Democratic Party, formed by the merger of the United Democrats and Meeting Point. He will also remain living proof of what is all too rare in Hong Kong: that businessmen can, and should, have a democratic face.

#### Party Urges Beijing To Maintain 'Normal Contacts'

HK2904101094 Hong Kong AFP in English 0947 GMT  
29 April 94

[Text] Hong Kong, April 29 (AFP)—The pro-China political party Democratic Alliance for the Betterment of Hong Kong called Friday on China to maintain "normal contacts" with the territory in the run-up to 1997.

In one of its 10 recommendations to the Chinese government, the party urged that "normal contacts" to be maintained between Chinese and Hong Kong officials "at all levels...to enable continuous and efficient cooperation over transition matters."

Hong Kong reverts to Chinese sovereignty on July 1, 1997.

The recommendations were made as Lu Ping, head of China's Hong Kong and Macao Affairs Office, was expected to arrive here Sunday [1 May] to attend a meeting of sub-groups under the Preliminary Work Committee (PWC). The PWC, which is appointed by Beijing, was set up by China to prepare for the 1997 hand over. Lu however has decided not to meet Hong Kong Governor Chris Patten while in the territory.

Patten, who has irked Beijing by going ahead with controversial electoral reforms, expressed disappointment at Lu's refusal to meet him but reiterated his willingness to meet Lu at the Chinese official's convenience.

The party also pointed out that "disruption caused by the lack of convergence (on political issues) should be minimised as far as possible," and urged the PWC to work "with more transparency."

In a statement, the party said that "the people of Hong Kong need to learn more about China, while the Chinese government must attend to the hopes and fears of Hong Kong, so that mutual trust can be built up between the two sides."



**Pro-Democracy Legislator Views Dispute Over Airport**

HK3004064094 Hong Kong HONGKONG STANDARD  
in English 30 Apr 94 p 2

[Article from the "Opinion" page by Fred Li, Meeting Point legislator: "New Airport Is the Latest Issue Mangled by UK-Sino Politics"]

[Text] Liberal Party Legislative Councillor Steven Poon's motion on the airport project said: "This council urges the Hong Kong government to initiate a series of commitments, which include considering further capital injection to facilitate China's agreement on the Chek Lap Kok new project financing arrangement together with that of the railway link.

"The solution of the problem will lead to the speedy completion of the whole project, which will be a significant boost to the local economic growth, further translating into the betterment of Hong Kong people's livelihood."

After seriously considering this motion, The Meeting Point delegated me to amend this motion.

For the record and to put matters in perspective, the amendment reads as follows: "This council urges the Hong Kong government to initiate a series of commitments, including considering further capital injection and forward it with substantiated proposals to this council for scrutiny.

"This move will surely facilitate the speedy completion of the whole project which will significantly boost economic growth and enhance Hong Kong people's livelihood."

This time around, the pros and cons of the airport issue and its ensuing amendment have puzzled the general public because they pose two starkly divergent points of view.

First, immediately after my amendment, fellow Councillor Howard Young moved an amendment to mine by putting back the deleted words "to facilitate China's agreement on the Chek Lap Kok project." But, at the same time, he retained my words "forward it with substantiated proposals to this council for scrutiny."

Why are there different view points reflected in Steven Poon's motion and my amendment? The explanation is this: Hong Kong people have been mangled by Sino-British political row of which Chek Lap Kok is a part. Ever since British special envoy Sir Percy Cradock secretly visited China in 1991 and emerged with a compromise that led to the signing of the Memorandum of Understanding (MOU), the British side has lodged four financial arrangement packages for China's approval over a period of more than two years. But still to no avail.

That the airport financing issue is still outstanding notwithstanding the signing of the memorandum is the result of two built-in flaws. The first is a political approach to a practical, economic and technical issue. The second is the unrelated Sino-British negotiation, which should have been dealt with locally. The conflicting views expressed in Councillor Steven Poon's motion and my amendment mirror the second default.

Meeting Point and I share the same opinion—the airport construction project is a local affair and should have been decided and acted upon in accordance with decisions locally arrived at. And, as the Legislative Council is an organisation representing local viewpoints, it should have used the powers vested in it to monitor and scrutinize such a colossal undertaking essentially financed by the public coffers. Moreover, as the airport project involves the two sovereign countries—Britain and China—they may well have done a great service to Hong Kong by honouring decisions reached through our legislature.

Councillor Steven Poon based his argument on the premise that any settlement of the airport case should correspond with the MOU theme.

Elected Legislative Councillors who have been given a mandate through the 1991 direct elections to represent the electorate seem to have been sidelined on this issue. At best, they are regarded as no more than rubber stamps. But, if they do not meet this assumption of rubber-stampers, the British side is accused of manipulating the legislature to sabotage the bilateral agreement reached through diplomacy by the British and Chinese governments.

Understanding this and seeing things through this perspective, we can assume the negotiated agreement, though not entirely in our people's interests is, first, insignificant and, secondly, has to be force-fed to highlight the MOU principle. Such is the logic behind Sir Percy's design.

Otherwise how could two sovereign countries taking pains to assign their heads of governments to negotiate and formalise an agreement in the form of a MOU to sort out a problem of a tiny, far-off place called Hong Kong? Councillor Howard Young has side-stepped the issue in this regard, because he has not differentiated the roles supposedly to be played by the local decision-making mechanism and the two central governments.

The amendment I made points to a plausible way out for a local problem without raising voices. I say give it a try.

**PRC To Tighten Controls on Hong Kong Reporters**

HK3004062694 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Apr 94 p 2

[By Louis Ng]

[Text] China is to tighten the way it handles applications from the Hong Kong media, following the jailing last month of Ming Pao reporter Xi Yang. Officials had adopted a flexible approach towards applications for reporting on the mainland, said deputy director of the Hong Kong and Macao Affairs Office Wang Fengchao. But, in future, the rules would have to be strictly followed "to avoid confusion", Mr Wang told a delegation from the Federation of Trade Unions in Beijing yesterday.

"Because the response from Hong Kong was that it was difficult to understand the system in China when it suddenly tightened its rules and imposed a 12-year penalty on Xi Yang, Mr Wang said it was better for China to stick to its rules," said the federation's Chan Yuen-han after the meeting with Mr Wang. Xi was jailed for 12 years for "stealing state secrets". He was accused of publishing details last summer of Beijing's plan to sell gold and raise interest rates in defence of the exchange rate. Mr Wang asked other Hong Kong journalists to stick to the confines of their approved reporting activities while on the mainland.

China's State Council has seven rules regarding reporting activities in China. They stipulate that all reporters must apply in advance to cover any activity in China and that the coverage should not go beyond the items listed in the application form. Mr Wang said more than a thousand Hong Kong reporters had visited China since last year and only Xi had been arrested, illustrating that most reporters knew and followed the law.

He said Xi had asked to cover news related to the Sino-British talks, meetings of the Preliminary Working Committee and an education project, but had failed to spell out his intention to cover news related to China's state finances and economy. Xi had been a reporter on the mainland for more than eight years and should have known the boundaries distinguishing normal reporting and spying for state secrets, Mr Wang said. He said that was why Xi could not be regarded as unintentionally trespassing in the "restricted areas".

He said Hong Kong and China had different legal systems and Hong Kong people should not use their legal standards to make judgments about China's system. Director of the Hong Kong and Macao Affairs Office Lu Ping has assured that Xi's sentence "will not affect Hong Kong reporters' normal reporting work".

#### **PRC Reportedly Reluctant To Pursue BNO Passport Issue**

HK0205074794 Hong Kong EASTERN EXPRESS in English 2 May 94 p 2

[By Rain Ren]

[Text] The rift between Britain and China over the issuing of new passports for Hong Kong people looks set to deepen, with Beijing reluctant to lobby other countries for easier visa arrangements.

The Hong Kong government has proposed that China lobby more than 70 countries for the permanent abolition of visa requirements for holders of the Hong Kong British National (Overseas) (BNO) passport and the future Special Administrative Region (SAR) travel document.

But a senior government official has revealed that Beijing has shown reluctance to hold talks with other governments on the issue. Beijing has yet to discuss SAR passports, despite numerous requests for talks on the matter by Britain over the past 12 months. And approaches by the British government have been met with silence. But the Hong Kong government fears that China's indifference to the latest request for co-operation could result in future difficulties for Hong Kong people.

At present, 71 countries waive visa requirements for BNO passport holders. However, there is no guarantee that the arrangement will continue beyond 1997 as Hong Kong people will be regarded as Chinese nationals and may hold both passports.

"The British side's proposal is based on goodwill, aiming to secure freedom of travel for the people of Hong Kong, which is enshrined in the Joint Declaration and essential for Hong Kong's continuous prosperity in future," said a government official. However, a Chinese official said Beijing was unlikely to cooperate with the request because China viewed visa abolition agreements with foreign governments for SAR passport holders as an issue to be dealt with exclusively by Hong Kong's future sovereign power.

China has not yet made any unilateral efforts to hold talks with foreign governments on recognition of SAR passports or visa arrangements. But it is understood that Western governments could categorise the SAR passports in the same manner as normal passports issued by Beijing.

Among the countries that currently waive entry visas for short stays for BNO passport holders, only Thailand, South Africa and Poland have formal written agreements with the Hong Kong government. Another 10 countries that have visa abolition agreements do so as an extension of similar agreements with Britain. It is still not clear whether such agreements will remain in place after 1997.

The ten countries are Belgium, the Netherlands, Luxembourg, Italy, Switzerland, Sweden, Iceland, San Marino, Argentina, and Liechtenstein. The issue will be discussed again at a meeting of team experts of the Sino-British Joint Liaison Group at the end of the month, but arrangements will not be made without Beijing's co-operation.



**Businessman Threatens To Pull Out of Power Projects**

HK0205042594 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English 1 May 94 p 1

[By Beverly Chau in Manila]

[Text] Construction and power magnate Gordon Wu Ying-Sheung is considering pulling out of mainland power projects because of the officially imposed cap on returns for foreign investors. Mr Wu, managing director of Hopewell Holdings and the recently floated Consolidated Electric Power Asia (CEPA), said his companies would look for more attractive developments in Asia. "I find a lot of places which are much greener than China," Mr Wu said.

CEPA has become embroiled in a row with mainland authorities on the level of returns offered by China on foreign investments in power projects. Beijing has capped returns at 12 per cent, compared with the 18 per cent which Mr Wu said he was offered by other Asian countries. Hopewell Holdings, the construction arm of Mr Wu's business empire, is also battling on another front over the construction costs of the Boca Tigris bridge in Guangdong province.

The 59-year-old businessman attacked mainland authorities at a seminar in Hong Kong earlier this week when he claimed the returns were too low by international standards. He said a realistic rate was about 18 per cent and 15 to 16 per cent was workable if the Government cut the red tape involved in setting up power projects. However, he stepped up his attack in Manila on Friday on his way to a ground-breaking ceremony for CEPA's latest power station, a US\$1.6 billion (HK\$12.37 billion) coal-fired operation in Pangasinan province. He said he would consider avoiding China if the issue on capped returns could not be resolved. "I don't think I can change the mind of the Chinese people and so I would say it could be better to back off," he said. He added that he was unlikely to be alone in his thinking about power developments on the mainland.

CEPA was spun off from the Hopewell group earlier this year with plans to invest and develop power projects throughout Asia, but particularly in China. The group has announced plans to build several operations on the mainland. It has signed letters of intent to build power facilities in Jiangsu, Henan, Shandong and Shenzhen and has a preliminary agreement on building a power plant in Guangxi.

CEPA's development in the Philippines is scheduled to be commissioned by 1996. President Fidel Ramos was at yesterday's ground-breaking ceremony and said that plans were in the pipeline for CEPA to build more power plants under the Philippines' build, operate and transfer (BOT) scheme.

**Newspaper Criticizes UK Parliamentary Report**

HK2704033494 Hong Kong TA KUNG PAO in Chinese 26 Apr 94 p 2

[Editorial: "It Is Essentially a Challenge to China's Sovereignty—Further on the Report Issued by the British Parliamentary Foreign Affairs Committee"]

[Text] An experienced member of parliament from the British Labor Party criticized the British Parliamentary Foreign Affairs Committee's report on Sino-British relations as "sheer nonsense."

This is absolutely true. One example is that the report attacks Article 18 and Article 158 of the Basic Law as "a serious hidden threat to the autonomy of the Hong Kong Special Administrative Region (HKSAR) and the implementation of the Joint Declaration."

The spokesman of the Foreign Affairs Committee of the National People's Congress (NPC) replied to this, pointing out that these provisions of the Basic Law were a concrete expression of the Chinese Government resumption of the exercise of sovereignty on 1 July 1997. It was totally unreasonable for the report to attack these provisions. Such an attack precisely reveals the real motive behind the British side's attempt to extend Britain's control and influence over Hong Kong.

Article 18 of the Basic Law states: In the event that the Standing Committee of the NPC decides to declare a state of war or, due to turmoil within the HKSAR which endangers national unity or security and is beyond the control of the government of the Region, decides that the Region is in a state of emergency, the Central People's Government may issue an order applying the relevant national laws in the Region.

Article 158 states: The power of interpretation of this Law shall be vested in the Standing Committee of the NPC.

The importance of these provisions to realizing and safeguarding China's sovereignty is self-evident.

China's resumption of the exercise of sovereignty over Hong Kong in 1997 is not just a matter of changing flags. The HKSAR, which will be directly under the Central People's Government, must be established in accordance with the decision of the NPC; the Basic Law of the HKSAR approved by the NPC must be implemented; foreign affairs must be administered by the Ministry of Foreign Affairs; national defense must be the responsibility of the Central People's Government; the chief executive and principal officials of the executive organs of the HKSAR must be appointed by the Central People's Government; the declaration of a state of emergency of the HKSAR must be decided by the NPC; and the power of interpretation of the Basic Law must be vested in the Standing Committee of the NPC. All these represent the expression of China's resumption of the exercise of sovereignty over Hong Kong and are also an expression of the principle of integrating upholding the

country's unity with ensuring a high degree of autonomy of the HKSAR. The NPC is the highest organ of state power, and it exercises state sovereignty in a unified manner. China's resumption of the exercise of sovereignty over Hong Kong will inevitably be reflected in the participation of the NPC and its Standing Committee in the handling of Hong Kong affairs. How can we talk about upholding the principle of sovereignty if the NPC and its Standing Committee cannot exercise even the power of declaring a state of emergency in Hong Kong or the power of interpreting the Basic Law? Britain is opposed to these two articles of the Basic Law. Is this not a brazen challenge to China's sovereignty?

We really cannot understand why the NPC's possession of these two kinds of power can constitute a "serious threat" to the HKSAR. Suppose the NPC declares a state of emergency in the HKSAR because the Region is threatened by war, or by reason of turmoil within the Region which endangers national unity or security and is beyond the control of the government of the Region, and this enables Hong Kong to avoid aggression and ensures the unity and security of the state—does this represent a "serious threat?" If some people attempt to tamper with or distort the meaning of the provisions of the Basic Law and attempt to create chaos in Hong Kong, and the NPC Standing Committee interprets the relevant provisions in order to ensure the correct implementation of the Basic Law, does this represent a "serious threat?" The right to enjoy a high degree of autonomy is invested in the HKSAR by the NPC, and this can be realized only if the Basic Law approved by the NPC is correctly implemented. According to the report, Britain, which is opposed to the Basic Law, seems to have become the defender of the HKSAR's autonomy, while the Chinese NPC, which resolutely wants to implement the Basic Law, seems to constitute a "threat" to this autonomy. Has anyone ever heard such logic?

That the NPC exercises the two kinds of power mentioned above is entirely a guarantee of the realization of "one country, two systems" and is a guarantee for the prosperity and stability of Hong Kong. To the several million Hong Kong residents who love their country and Hong Kong, this can only produce a "sense of stability" and a "sense of security," and will not produce any "sense of threat."

Only the following types of people will have a sense of "threat" and even "serious threat": People who have all along been opposed to the Basic Law and who intentionally attempt to tamper with or distort the Basic Law; people who hope that Hong Kong will become an "independent" or "semi-independent" political entity; and people who are "opposed to anything put forward by China" and who are dead set on regarding China as their enemy. As a matter of fact, these kinds of people can be put under one category, a category of people who willingly grovel at the feet of the British and serve the colonial rule. The number of people in this category is not large. That the NPC exercises the two kinds of power mentioned above will certainly constitute an enormous

obstacle to their perverse acts, and, therefore, this will naturally cause a sense of "serious threat" among them. When the British parliamentary report attacks the Basic Law, it is absolutely speaking for these people, and the motive is evident.

When the Basic Law was approved by the NPC, the British Foreign Ministry made a statement saying that the Basic Law was an important milestone in Hong Kong's future, it reflected the spirit of the Joint Declaration, and was welcomed as a constitution. Only four years have passed, and the Basic Law has not yet been implemented, but Britain has changed from "praising" the Basic Law to opposing it. Chris Patten, who kept on saying that he "read the Basic Law more often than the Bible," also said a few days ago that Britain pointed out long ago that the Basic Law was harmful to the Joint Declaration. What does that mean? Did Britain say one thing and mean another in the past or is it playing tricks today? Either alternative shows Britain's hypocrisy and ulterior motives.

#### More On UK Parliamentary Report

HK2804073494 Hong Kong TA KUNG PAO in Chinese  
27 Apr 94 p 2

[Editorial: "What is Hidden Behind 'Human Rights'?—Third Commentary on the Report by the British Parliamentary Foreign Affairs Committee"]

[Text] The report by the Foreign Affairs Committee of the British Parliament attacked China's human rights status on their own fabricated grounds, alleging that "Hong Kong's human rights will probably deteriorate after 1997. It then proposed that the Hong Kong Government set up a "human rights commission" and a "human rights supervisory institution" and "guarantee that Hong Kong will continue to enjoy basic human rights after the transfer of sovereignty." The Foreign Affairs Committee chairman even advocated exerting international pressure on China on the question of human rights and asked the British Government and the UN Human Rights Commission to "jointly supervise progress in Hong Kong's human rights status after 1997."

It seems that Britain wishes to act as a "human rights guard" for Hong Kong!

Honestly speaking, the fact that Britain talks about human rights and claims to be a "human rights guard" before China and before the Hong Kong people will only add one more little joke to the world.

Racism and colonialism are the opponents of human rights. When a place is ruled by racism and colonialism, its human rights are trampled on. This has been proved by numerous facts around the world. Britain has exercised colonial rule in so many countries and regions! It has deprived so many people of their rights and civil liberties!



Britain used gunboats to seize Hong Kong from China 150 years ago. Even today, it still rules this place with colonialist practices that are based upon the rights of the Hong Kong people.

In the 1880's and during the early part of this century, Britain carried out two armed invasions of China's Tibet, inflicting a very great loss on the Tibetan people. Moreover, it instigated the reactionary elements of Tibet's upper level to rebel and massacred the patriotic people.

This is Britain's human rights record. What a sordid tale!

Back home in Britain, different races have not achieved equality either, as some Hong Kong people have pointed out, and not all of the International Labor Agreements are observed. On this basis alone, there is no way that we can say that Britain has a good human rights record.

Isn't it ridiculous that Britain today has gone so far as to vilify China—which does not have a single soldier in another country and which is making remarkable achievements in the protection and improvement of human rights at home!

Hong Kong needs human rights. Its human rights can only be really guaranteed after Britain pulls out, after colonial rule ends, and when the Hong Kong Special Administrative Region—which will be ruled by the Hong Kong people and which will have a high degree of autonomy—is established. The Basic Law has detailed provisions regarding the rights and freedoms to be enjoyed by the Hong Kong people after Hong Kong has reverted to the motherland. In the Chapter on the Fundamental Rights and Duties of the Residents alone, there are 11 articles which deal with freedoms. The scope of rights is so wide and the degree of freedom is so large that they are rarely seen in the world.

Taking advantage of the Wei Jingsheng and Xi Yang incidents, which judicial organs have already dealt with in accordance with the law, however, Britain has invented the lie that "Hong Kong's human rights status will probably deteriorate after 1997" and has invented Hong Kong people's "worries" over the future. If Britain uses this as a basis for setting up a "human rights commission" and a "human rights supervisory institute" before 1997, then people have reason to believe that the motive behind Britain's advocacy for establishing such institutions is to protect those people—like those already sentenced by China—who pry into and steal state military information and economic secrets and endanger national security and national interests and to build a shelter for a small number of anglophile and anti-Chinese elements who are hostile to China and who are creating confusion in Hong Kong.

Therefore, as the "proposal" was advanced, leaders of the United Democrats—Christine Loh Kung-wai, and the like—were immediately overjoyed. They claimed it "conforms to the overall interests of the community" and "will enable Hong Kong people to have more

confidence in the future." They then urged the government to set up human rights institutions as soon as possible and "compile a report for the United Nations." They and some others advocated drawing up an information freedom regulations bill and a human rights and equal opportunity commission regulations bill and urged the Hong Kong Government to step up its revision of such laws and regulations as the Press Freedom Regulations, the Official Secrets Act, and the Public Security Regulations so that their restrictions can be relaxed, thus offering legal protection to some who go against China and create confusion and make trouble in Hong Kong.

Some people from the Hong Kong community pointed out: Britain has never done anything to improve Hong Kong's human rights status during its colonial rule for the past one and a half centuries. Now Britain is playing "human rights politics" when Hong Kong is about to revert to the motherland. They argued that Britain is not doing this out of good intentions but in order to set up new obstacles for Hong Kong's smooth transition. Therefore, the Hong Kong people should be on guard against this ploy and must never be taken in.

Everything that happens after 30 June 1997 will be China's internal affairs, and no country can intervene. All major issues involving and straddling 1997 should be negotiated between China and Britain and must not be unilaterally decided on by the British side. This is a question of principle. The question of whether there is the need to formulate laws and set up institutions for the protection of Hong Kong's post-1997 human rights in accordance with the Basic Law is the affair of the future Hong Kong SAR, and the British side has no right to intervene. If the British Hong Kong authorities want to "act independently" again by setting up the so-called "human rights commission" or "human rights supervisory institution," the Chinese side will surely not acknowledge them as it does not acknowledge the political system framework. As for international pressure, China does not fear it, and no other country is expected to follow Britain at its instigation.

#### **New Territories Ordinance Amendment Opposed**

HK7804131494 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0910 GMT 27 Apr 94

["Special article" by reporter Zhao Wen (6392 2429): "Motion on the Amendment to the New Territories Ordinance Should Be Shelved"]

[Text] Hong Kong, 27 Apr (ZHONGGUO TONGXUN SHE)—"Yesterday, the Headquarters for Struggle to Defend Homes and Clans" of the Heung Yee Kuk [township consultative council—an organization representing the interests of indigenous New Territories residents] of the New Territories held a mammoth meeting and a demonstration of indigenous New Territories inhabitants, and decided to stage a 10,000-strong protest march at Victoria Park on Hong Kong Island on 8 May. At the same time, "The Great Alliance to Safeguard the

Traditions of the New Territories," an organization set up spontaneously by indigenous New Territories inhabitants, also is planning to conduct several protest activities. Thus it can be seen that activities of indigenous New Territories inhabitants to oppose the motion to amend the New Territories Land (Exemption) Bill show no signs of declining, but are tending toward gradual escalation. Various circles in society and the mass media universally hold that the motion to amend the New Territories Land (Exemption) Bill should be shelved in order to avoid social turmoil or a split among the people of Hong Kong.

The formulation of the New Territories Ordinance and the forms of property rights inheritance of the indigenous inhabitants of the New Territories have a long historical background. All previous Hong Kong governors have abided by the New Territories Ordinance and have respected the forms of property rights inheritance and other traditions and customs of the indigenous inhabitants. The Sino-British Joint Declaration and the Basic Law also give solemn commitments and guarantees to them. However, owing to the development of urbanization in the New Territories, the uses of much of the land have changed, and new variables have emerged in the issue of property rights inheritance. The Hong Kong Government therefore put forward the New Territories Land (Exemption) Bill so as to dispel doubts and misgivings in property inheritance of proprietors of more than 300,000 residential and private houses in the New Territories without affecting the interests, traditions, and customs of the indigenous New Territories inhabitants. The New Territories Heung Yee Kuk and the overwhelming majority of the indigenous inhabitants were sensible people and expressed their understanding and agreement. The Heung Yee Kuk also reached a consensus with the Hong Kong Government.

Unexpectedly, when the Hong Kong Government submitted the New Territories Land (Exemption) Bill to the Legislative Council, Loh Kung-wei, an appointed member of the Legislative Council, proposed an amendment extending the scope of exemption in the bill to include village land. This was done without careful consideration and without first carrying out any consultation. The Hong Kong Government originally said it would not support the amendment, but later changed its mind and was in favor of it. If this amendment is adopted and implemented, the New Territories Ordinance will exist in name only, and there will be an impact on the traditions, customs, and legitimate rights and interests of the indigenous New Territories inhabitants. In addition, this motion is evidently in conflict with relevant provisions and commitments in the Joint Declaration and the Basic Law. It is even more difficult for the indigenous inhabitants to accept this. Therefore, it is quite understandable that the proposed amendment has caused strong resentment and protests among the indigenous inhabitants.

The crux of the issue is that the indigenous New Territories inhabitants' opposition to the proposed amendment to the New Territories Land (Exemption) Bill is aimed at safeguarding the continuity of the New Territories Ordinance and at not permitting any attempt by outside forces to change their traditions and customs. The former involves the long-standing commitments and administrative policies of the Hong Kong Government, and no change should be made lightly. The latter involves the issue of changing prevailing habits and customs, and such changes can be made only gradually, through consultation. The move by the Hong Kong Government to impose such changes on the indigenous inhabitants by means of legislation without any consultation is obviously unwise and wrong. It has caused disputes and chaos in the life and internal relationships among the indigenous inhabitants, and to a certain extent, has caused social unrest and a split among the people of Hong Kong.

The Hong Kong Government announced some time ago a delay in submitting the bill to the Legislative Council for examination; the reason given was to study how many existing regulations would be affected by the amendment and to study its impact. To date, however, the departments concerned of the Hong Kong Government have not yet solicited the views of the Heung Yee Kuk or the indigenous inhabitants, and the departments concerned are continuing to divorce themselves from reality and are acting blindly. Evidently, the escalation of protest activities by the Heung Yee Kuk and the indigenous inhabitants is caused by their worry that after its "study," the Hong Kong Government will cling obstinately to its course, force the amendment through, present a fait accompli, and compel the indigenous inhabitants to accept it.

#### Taiwan Expands Local Office, Vows To Stay After 1997

HK3004063094 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Apr 94 p 8

[By Chan Wai-fong]

[Text] Taiwan's information office will stay when Hong Kong returns to Chinese rule—but the name will be different. As of yesterday Free China Review (FCR)—the island's Government Information Office (GIO) here, will be known as the Kwang Hwa Information and Culture Centre (KHICC).

Whether Taiwan will retreat after 1997 has been a concern in recent years. Although the ruling Kuomintang Government has repeated many times that it will stay, many believed some changes would have to take place to pacify the Chinese.

Political analysts have said Beijing would not tolerate the FCR, which contends the mainland is not free under communist rule. But Susie Chiang, director of the FCR and also the KHICC, dismissed claims that giving the



organisation a new name meant a lower profile in the run-up to 1997. She said the centre had expanded its size and functions.

Originally housed in Central premises of only 300 square feet, the two-in-one FCR and KHICC has been relocated to expensive Pacific Place, Admiralty, with more than 1,000 square feet of accommodation. In addition to providing information, the centre now has a gallery, a conference hall and a library.

Ms Chiang, also a member of Taiwan's National Assembly, said there was resistance to its expansion. "Beijing wants us to keep a low profile," she said. "Before we moved to the present venue, we had already been functioning as an information and cultural centre. The new name is just to cope with our job description," she said.

At the grand opening yesterday, Ms Chiang vowed to stay after 1997. "We are committed to Hong Kong," she said. "It is the meeting point between the two places across the Taiwan Strait, and its role will not change in the future." Taiwan's GIO Director General, Jason C. Mu, and 16 Taiwan legislators, also attended the opening.

#### **Canada Reportedly Pursuing Hong Kong Visa Cheats**

*HK0205074894 Hong Kong EASTERN EXPRESS in English 2 May 94 p 3*

[By Michael Bociurkiw]

[Text] Canada is threatening to use deportations and tougher visa conditions in a crackdown on entrepreneur immigrants who violate their visa terms. According to confidential documents from the Canadian Department of Citizenship and Immigration, a new "control strategy" hopes to cut down on the number of immigrants who come to Canada and fail to set up promised businesses. Once the changes are in place, it could become much harder to qualify as a business immigrant. Those who do will be subject to far stricter monitoring.

Entrepreneurs in British Columbia will soon be asked to allow immigration officers to review their tax files. "For deterrence to be effective, participants must believe that the chance of detection is high," the documents say, with "severe consequences".

The move is in response to widespread abuse of the entrepreneur programme, which allows experienced business persons to obtain Canadian citizenship in exchange for setting up a small business that employs at least one Canadian. In most cases, the business must be established within two years.

To cut down on abuse, Canada started issuing conditional visas in early 1993, but there has been little improvement. In fact, abuse has been so bad that in some parts of Canada immigration officers cannot locate

many of the participants. Many of the abusers are Hong Kong immigrants. A few years ago, an investigation by the Royal Canadian Mounted Police found 149 Hong Kong residents who were setting up fake businesses in Canada.

In order to drive home the point that Ottawa is serious in encouraging entrepreneurs to stick to their plans, it is to deport several immigrants who have violated their visas. There is no indication of how many entrepreneurs might be targeted for removal from Canada, but one source said 34 cases in the Montreal area are facing charges.

"In our view even a small number of successful removals of entrepreneurs...would provide a strong deterrent effect," the documents say.

Other proposed measures are: to take action against immigration lawyers, consultants and agents who "misrepresent" the entrepreneur programme, often by falsely claiming government approval or watering-down the programme's requirements; better overseas selection of entrepreneur immigrants-creating an "electronic file" on each entrepreneur immigrant; requiring them to submit progress reports every six months; requiring entrepreneurs to post a performance bond upon landing; and information exchanges with other organisations to locate missing entrepreneurs.

Most Hong Kong people applying as business immigrants go to Canada as entrepreneurs.

According to the immigration section at the Commission for Canada in Hong Kong, most of the business visas issued to Hong Kong immigrants are given to entrepreneurs. Of the 28,217 total landings from Hong Kong in the first nine months of last year, 6,011 were in the entrepreneur category.

Even before the plan has been implemented, it is already the subject of controversy. A Toronto immigration lawyer, Mendel Green, who has been asked by Ottawa to help assess the business immigration programme, branded the plans "infantile".

"They should perhaps put their efforts to showing the great successes of Hong Kong immigrants in Canada as an example to others since the abuse is in such a low level," he said. Green said the Immigration Department had exaggerated the problem.

#### **Use of Force With Vietnamese Detainees Decried**

*HK2704075994 Hong Kong EASTERN EXPRESS in English 27 Apr 94 p 3*

[By Susie Weldon and Rachel Clarke in Hanoi]

[Text] The Vietnamese consulate-general in Hong Kong says it has received an assurance that Hong Kong will not use force again in transferring Vietnamese detainees. The assurance came after Vietnam issued a formal

rebuken over the violent transfer of 1,500 boat people from Whitehead detention centre to High Island on April 7.

In Hanoi, the United Nations refugee chief, Sadako Ogata, said forced repatriation of Vietnamese boat people from Hong Kong had been suspended after the raid.

The Vietnamese vice-consul, Nguyen Thanh Thuy, said his country had expressed its concern in a diplomatic message delivered on Saturday over the level of force used. "We told them we don't think the use of force to transfer these refugees is necessary," he said. "We think it is better next time to inform the Vietnamese side."

Thuy said the Hong Kong government had not formally replied to the rebuke but had "sent a message". "The Hong Kong government told us this would not happen again," and "they would not use force" Thuy said.

The Hong Kong government's refugees co-ordinator, Brian Bresnihan, last night refused to comment on any assurance given to Hanoi over the use of force. Nor would he comment on the suspension of forced repatriations.

Speaking earlier in the day, Bresnihan said the Government had explained the reasons for the Whitehead raid. "We have had an expression of concern from the Vietnamese government about the use of force in this operation," he said. He said Hong Kong officials were "carefully considering" this message.

More than 200 Vietnamese were injured during the raid by 1,200 police and prison guards. The Whitehead raid prompted the Governor to order an independent inquiry after Eastern Express revealed the number of injured was far higher than the single casualty originally claimed by officials.

Pam Baker, the chairwoman of Refugee Concern, said Vietnam's rebuke showed how far matters had deteriorated in the camps. "Treatment of the Vietnamese boat people is now so bad that even the country from which they are fleeing is complaining about it," she said.

A Security Branch spokeswoman yesterday confirmed it had briefed Vietnamese consular officials on the "events surrounding the Whitehead incident", and the recent appointment of two justices-of-the peace to investigate it after receiving the rebuke. The spokeswoman declined to comment on the assurance that force would not be used in future operations, saying: "We can't go into the details of an exchange between the consulate-general and the Security Branch."

Security Branch officials would not comment last night on whether they had changed their policy on handling transfers of boat people in the light of the Whitehead violence.

In Hanoi, Ogata glossed over criticism of the United Nations High Commissioner for Refugees' inaction on

the day of the Whitehead raid. She refused to speculate on what measures would become necessary once the dwindling supply of volunteers for repatriation dried up. "It will be a very difficult choice for all of us who have given very, very special attention to Vietnamese refugees," she said.

#### **'Dramatic Rise' in Heterosexual HIV Transmissions Noted**

HK2704074694 Hong Kong SOUTH CHINA MORNING POST in English 27 Apr 94 p 6

[By Alison Wiseman]

[Text] The gap between heterosexual and homosexual transmissions of the AIDS virus is closing far more quickly than predicted and looks set to disappear within the next three months, according to a government specialist.

In the past quarter there have been 16 heterosexual HIV transmissions reported compared with only one homosexual transmission, narrowing the gap to just eight cases, according to Health Department statistics.

There have now been 157 HIV infections in the territory that were heterosexual transmissions compared with 165 homosexual infections.

In January, the Health Department's AIDS consultant, Dr. Lee Shui-shan, predicted that the heterosexual/homosexual transmission gap would disappear by the end of the year.

But in a review of the HIV infection pattern during the first quarter of this year, Dr. Lee said yesterday heterosexual transmission was likely to overtake homosexual transmission by the middle of the year.

"What we are seeing is a dramatic rise in heterosexual transmission of HIV although the important message is that this gap is closing," Dr. Lee said.

Last month four men and two women were found to be infected with the AIDS virus, bringing the total number of reported cases of HIV in Hong Kong to 435.

One new case of full-blown AIDS was also reported to bring the total to 100, 65 of whom have died.

"Although we are still seeing a steady increase in the number of HIV infections we are seeing an explosive increase in the number of AIDS cases as more people infected with the virus are developing AIDS-related illnesses," Dr. Lee said.

In the past quarter there have been eight new AIDS cases compared with only one in the previous quarter.

Dr. Lee said the number of deaths from AIDS did not include "several" people with HIV who had committed suicide.



The Health Department's AIDS unit is now setting up a community charter to tackle the problem of discrimination against HIV carriers in the workplace.

"Most of those infected are of working age and so there is a need to actively educate people not to discriminate at work," Dr. Lee said.

### Editorial Regrets 'Tragic Waste' of PLA Camp Visit

HK0105081694 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 1 May 94 p 16

[Editorial: "Questions Still on PLA Troops"]

[Text] It was a tragic waste of what should have been an ideal opportunity to allay Hong Kong's fears about one of the most uncertain parts of life after 1997.

Ever since Chinese patriarch Deng Xiaoping overruled his Foreign Minister a decade ago, and declared that China would definitely station troops in the territory after 1997, there have always been doubts about what role they would play. Doubts which were only reinforced by the events of June 4, 1989 in Tiananmen Square.

No one disputes Beijing's right, as a matter of sovereignty, to garrison Hong Kong, just as Britain has done for the past 150 years. The future People's Liberation Army (PLA) contingent has a legitimate role to play in everything from conducting air sea rescues to defending Hong Kong against outside threats.

But what is desperately needed is more information on what form their presence will take. More than 100 Beijing-appointed travellers travelled to Guangzhou yesterday in search of that, on a long-anticipated trip they hoped would give them some idea of how the PLA is training the soldiers who will be coming to Hong Kong in 1997.

Instead all they got—during day one of their two-day visit—was a long lecture on the revolutionary role of the Red Army, the PLA's pre-1949 counterpart, and a glimpse of some army barracks.

Lectures on the Communist Party's past are the last thing that is needed if Hong Kong is to be reassured that the troops who will be stationed here will be a modern, disciplined and professional force.

Bland reassurances, such as local XINHUA (the NEW CHINA NEWS AGENCY) deputy director's remark yesterday that "it's our own army protecting us: isn't it laughable to be worried" are not enough either.

What Hong Kong needs are some solid answers. What exactly is the training programme for the troops which will be sent to Hong Kong? How many will they number and who will be their commander? What part of China will they come from, and where will they be stationed in Hong Kong? Will they speak Cantonese and English and understand the local customs and culture? Some of these matters may become clearer, when the long-awaited

Sino-British agreement on military lands is unveiled within the next few months. But most such details can only come from China.

The Beijing's appointees' trip is not yet over, it can only be hoped that today's concluding part of the tour of military facilities will be more productive and produce answers to some of these questions.

### Macao

### Portuguese 'State Secret Law' Introduced in Macao

HK2704075594 Hong Kong EASTERN EXPRESS in English 27 Apr 94 p 2

[By Harald Bruning in Macao]

[Text] Portugal's new "state secret law", approved by the parliament in Lisbon in February, was gazetted in Macao yesterday. Macao's Governor, General Vasco Rocha Vieira, was reported to have insisted that the Portuguese law be enforced in Macao.

According to the law, "documents and pieces of information whose knowledge by non-authorised persons is susceptible to putting at risk or causing harm to the national independence, unity and integrity of the (Portuguese) State and its internal and external security" fall under the state secret category.

For the first time in Portugal's legal history, the Macao Governor as well as the head of state, parliamentary Speaker and Prime Minister, has the power to classify on his own initiative certain documents and information as state secrets.

Civil servants and military personnel in Portugal and Macao contravening the state secret law face criminal and disciplinary proceedings.

The law states that the "protection of classified documents" was directed against "acts of sabotage and spying and leaking of information". A special parliamentary committee of the Assembly of the Republic in Lisbon is to oversee its implementation.

Portuguese media reports said Vieira asked last year for the right to classify documents in view of the enclave's transition towards Chinese rule from 1999. The reports maintained there was a need to protect Portuguese "state secrets" in negotiations with China over Macao "directly by the Macao Governor and not just through Lisbon".

### Official Leaves For Beijing, Shanghai

OW0205050194 Beijing XINHUA in English 0433 GMT 2 May 94

[Text] Macao, May 2 (XINHUA)—Antonio Manuel Salavessa da Costa [name as received], secretary assistant of the Communications, Tourism and Culture

Department of Macao Government, left here this morning for a week-long visit to Beijing and Shanghai.

At the invitation of the National Tourism Administration of China, the official said before his departure that he would meet with officials from the Hong Kong and Macao Affairs Office of the State Council and Ministry of Radio, Film and Television to exchange views on matters relating Macao and of common concern, as well as on strengthening tourism between Macao and China's mainland in future.

He said he would also meet with officials from Chinese Ministries of Culture and Posts and Telecommunications to make preparations for the propaganda of Macao in Beijing in the second half of this year.

During his stay in China's mainland, Manuel Salavessa da Costa would also visit several mass media organizations and famous scenic spots.

#### Joint Venture Sets Up Factories

OW2704144694 Beijing XINHUA in English 1127  
GMT 27 Apr 94

[Text] Macao, April 27 (XINHUA)—A Portuguese-Macao joint venture will invest 500 million patacas (about 62.5 million U.S. dollars) over the next five years in the setting-up of two air conditioning, ventilation and freezing equipment factories in Macao and China's Zhuhai Special Economic Zone.

A spokesman for the project said here today that Atecnic Macao Company Ltd, which is scheduled to be formally registered on May 2, would be responsible for the development of the project.

The two factories in Macao and Zhuhai will have an employment of about 200 and will offer technology research facilities and professional training schemes in cooperation with the Macao University.

The spokesman said that Atecnic Macao intended to achieve 18 million Macao Patacas (2.3 million U.S. dollars) of turnover this year, adding that the figure for next year was expected to reach 95 million patacas (about 12 million U.S. dollars) and 190 million patacas (about 24 million U.S. dollars) for 1996.

The Atecnic Macao company's output is mainly earmarked for the sales markets in Macao and China's mainland, as well as for exports to the European Union, the spokesman said.

The Atecnic Macao Company Ltd. has already applied for a 5,000-square meters land lease to be granted by the Macao Government as part of its industrial diversification scheme.

The group Atecnic of Portugal produces air conditioners for household and industrial use, ventilation and freezing equipments as well as electronic security systems.

#### Venture To Produce Air Conditioning Units

OW2704184694 Beijing XINHUA in English 1514  
GMT 27 Apr 94

[Text] Macao, April 27 (XINHUA)—A Portuguese-Macao joint venture will set up two air conditioning, ventilation and freezing equipment factories in Macao and Zhuhai, an adjacent city in south China's Guangdong Province.

The total investment will reach 500 million patacas (about 62.5 million U.S. dollars) over the next five years.

A spokesman for the project said here today that Atecnic Macao Company Ltd, which is scheduled to be formally registered on May 2, would be responsible for the development of the project.

The two factories in Macao and the Zhuhai Special Economic Zone will have a total employment of about 200. The two factories will also offer technology research facilities and professional training schemes in cooperation with the Macao University.

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The Atecnic Macao Company's output is mainly earmarked for the sales markets in Macao and China's mainland, as well as for exports to the European Union, the spokesman pointed out.

Of the 20 million pataca (2.5 million U.S. dollar) capital stock of the joint venture, Portugal's Atecnic group will have a share of 60 percent, Macao's Wu's group holds 20 percent and the other 20 percent will be owned by a subcompany of the Nam Kwong (group) Company in Macao and the Macao Daily News Company Ltd.

The Atecnic group of Portugal produces air conditioners for household and industrial use, ventilation and freezing equipments, and also electronic security systems.



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